Exhibit 4

Operations, Maintenance & Administration

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2.4.1 Overview of Cost Trends

2.4.1.1 Overview of Operating Expenses

Operations, Maintenance and Administration (OM&A) expenses included in the calculation of Niagara-on-the-Lake Hydro Inc.'s (NOTL Hydro's) revenue requirement are those determined to be reasonable in amount and necessary for and related to the provision of utility service or in some way a benefit to customers.

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

By way of this 2019 Cost of Service rate application, NOTL Hydro is proposing an OM&A amount of $2,974,186 for the 2019 Test Year.

Table 4.1: OM&A 2014-2019

	Board Approved	2014	2015	2016	2017	2018	2019
Operations	$532,044	$491,400	$548,540	$654,295	$673,867	$679,413	$715,973
Maintenance	$416,132	$412,259	$451,578	$476,273	$414,737	$473,074	$449,790
Billing and Collecting	$534,260	$559,556	$601,150	$547,188	$573,154	$597,617	$632,867
Community Relations	$17,800	$578	$758	$9,700	$4,161	$12,765	$11,485
Administrative and General	$655,026	$744,411	$721,094	$844,735	$929,202	$1,141,995	$1,164,070
Total	**$2,155,262**	**$2,208,203**	**$2,323,119**	**$2,532,191**	**$2,595,121**	**$2,904,865**	**$2,974,186**
%Change (year over year)		2.5%	5.2%	9.0%	2.5%	11.9%	2.4%

As shown in Table 4.2 below, NOTL Hydro's increase in OM&A spending from its 2014 Cost of Service to the 2019 Test Year is $818,923 or 38% over the 5 years.

Table 4.2: 2014 Board Approved vs. 2019 Test Year OM&A

	Board Approved	**2019**	**Change**
Operations	$532,044	$715,973	$183,929
Maintenance	$416,132	$449,790	$33,658
Billing and Collecting	$534,260	$632,867	$98,608
Community Relations	$17,800	$11,485	-$6,315
Administrative and General	$655,026	$1,164,070	$509,044
Total	**$2,155,262**	**$2,974,186**	**$818,923**
%Change (year over year)			38.0%

The 38% increase in OM&A is the result of a combination of inflation, growth and increasing complexity of operations.

Inflation is estimated to be 7% from 2014-2019 using the inflation factors provided each year by the OEB and less the productivity factor of 0.30%. NOTL Hydro has had a PEG rating of 3 in each of these years. For 2019 we have used the average inflation over the past four years as the best estimate.

Table 4.3: Inflation less productivity 2015-2019

Year	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Inflation	1.30%	1.80%	1.60%	0.90%	1.40%	7.00%

Growth can be measured in a number of ways. An increase in customers increases operating costs as there are more customers to have service installed, to be billed monthly and to be responded to. During the 2014-2019 period NOTL Hydro increased its customer service staff by one new full-time customer service representative. The increase in customers also leads to an increase in load, increasing demand on NOTL Hydro assets which requires maintenance be increased accordingly. During the 2014-2019 period NOTL Hydro will have installed two new transformers at its transmission station to manage the increasing load and to ensure redundancy of supply. Finally, an increase in assets (net book value) requires increased maintenance. During the 2014-2019 period NOTL Hydro added one new lineman.

Table 4.4: NOTL Hydro Growth Indicators

Measure	**2014**	**2019**	**% Increase**
# Customers	8,574	9,649	12.5%
Load (MWh)	189,356	223,061	17.8%
Assets ($000's)	23,501	30,657	30.5%
Average			20.3%

NOTL Hydro is attributing 20.3% of its increase in OM&A to growth factors note above.

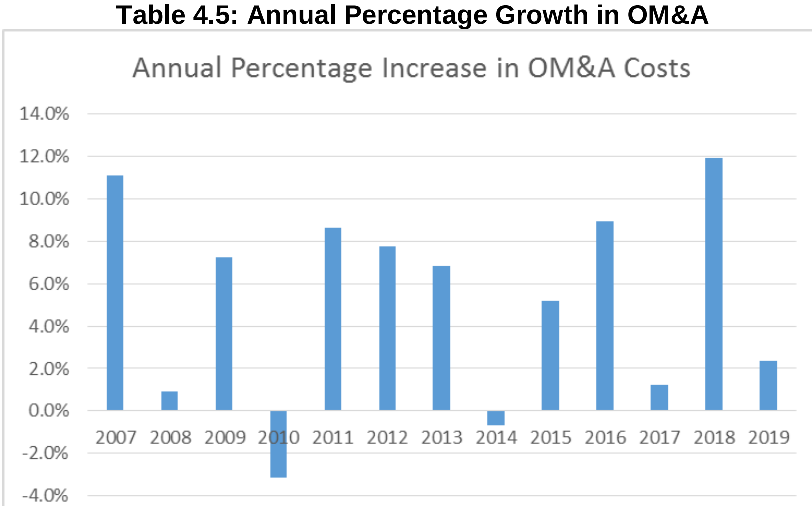
Some of the increase in OM&A is the result of changes in operations or the regulatory environment that increase both revenues and expenses. Just looking at expenses in isolation does not give the full story. Some examples in the case of NOTL Hydro include:

- Pole rental costs are forecast to increase $13.3 thousand from 2017 to 2019 due to the increase in the province-wide pole rental rate. NOTL Hydro has forecast an increase in pole rental revenue of $70 thousand which serves to reduce rates.
- The net increase in the Utilismart service is $29.4 thousand. Some of this will be recovered by the requested increase in the monthly MicroFIT charge which will generate around $8 thousand per year. The rest is increased services to our large customers who will be able to access the data.

Together, these two items represent a $42.7 or 2% increase in OM&A costs.

One of the challenges with OM&A in a smaller LDC is the “lumpiness” of the change. Some years, like 2018, may have several drivers of expense increases while other years, such as 2017 and the 2019 forecast, the changes are quite small. This can be seen in the table below. A longer time horizon yields a different analysis. For instance, from 2006-2019 the average annual increase in OM&A expenses is 5.3%. From 2014-2019 the average annual increase is 5.9%. This would indicate that the higher increases in 2014-2019 is a matter of “timing” and that 3% of the increase from 2014-2019 (5.9% - 5.3% * 5 years = 3%) is a matter of looking at the costs over a short time horizon.

Table 4.5: Annual Percentage Growth in OM&A



The remaining driver of increases in OM&A costs is the increasing complexity of providing electricity distribution services in Ontario. Some of these complexities include:

- Increased expectations by customers. NOTL Hydro introduced its Outage Management System in 2015 so that it can respond to outages without relying solely on customer calls. Like many LDCs, we now have stories of restoring power before a customer is even aware the power is out.
- Net metering. These are much more time consuming to service than a regular customer or a standalone generator due to the complexity of the calculations. NOTL Hydro now has seven net metering customers across all major customer classes (residential, GS<50 kW and GS>50 kW).
- Increased renewable generation. Excluding net metering, these have grown from 117 in 2014 to 153 in 2018; a 31% increase. Renewable generation is increasing costs in another way as NOTL Hydro adapts its asset base and operations in expectation of much more renewable generation in the future.
- Increased regulatory reporting. The volume and complexity of the RRR and other ad hoc reporting to the OEB has grown substantially from 2014 to 2018.
- Increased labour costs. While the inflation estimate above was 7% the cost of labour at NOTL Hydro has gone up a minimum of 11.8% due to the agreements with unionized staff.
- No winter disconnections. This lead to more write-offs. This is somewhat heightened in Niagara-on-the-Lake as there are Niagara College student tenants whose terms end before the end of the disconnect ban. This also leads to increased costs as more phone calls and other efforts to obtain payments must be undertaken.
- Increased Ministry of Energy programs. New programs such as the OESP and the Affordability Fund all require resources to implement and manage from the context of integrating them within the LDC.

A breakdown of the 2014-2019 increase in OM&A costs would therefore be:

Table 4.6: Breakdown of Increase in OM&A (2014-2019)

Cause	Percentage
Inflation	7%
Growth	20%
Expenses with offsetting revenue	2%
“Timing”	3%
Increase in requirements	6%
Total	**38%**

On a per customer basis the trend in OM&A is as shown in the table below:

Table 4.7: OM&A per Customer

	2014	2015	2016	2017	2018	2019
OM&A	$2,208,203	$2,323,119	$2,532,191	$2,595,121	$2,904,865	$2,974,186
Customers	8,574	8,860	9,134	9,321	9,469	9,649
OM&A per Customer	$ 258	$ 262	$ 277	$ 278	$ 307	$ 308

OM&A per customer is expected to rise 19% between 2014 and 2019. This is consistent with the calculation above as the increase in OM&A per customer is the non-growth increase (inflation, offsetting revenues, requirements, etc.) above.

2.4.2 Summary and Cost Driver Tables

2.4.2.1 Cost Driver Tables

The table below provides a summary of NOTL Hydro's Operations, Maintenance and Administrative ("OM&A") costs as required by the OEB's filing guidelines. This is consistent with Appendix 2-JA.

Table 4.8: Summary of Recoverable OM&A Expenses

Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
	Board Approved	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Operations	$532,044	$491,400	$548,540	$654,295	$673,867	$679,413	$715,973
Maintenance	$416,132	$412,259	$451,578	$476,273	$414,737	$473,074	$449,790
SubTotal	**$948,177**	**$903,658**	**$1,000,118**	**$1,130,568**	**$1,088,604**	**$1,152,487**	**$1,165,763**
%Change (year over year)		-4.7%	10.7%	13.0%	-3.7%	1.9%	7.1%
%Change (Test Year vs Last Rebasing Year - Actual)						21.5%	29.0%
Billing and Collecting	$534,260	$559,556	$601,150	$547,188	$573,154	$597,617	$632,867
Community Relations	$17,800	$578	$758	$9,700	$4,161	$12,765	$11,485
Administrative and General+LEAP	$655,026	$744,411	$721,094	$844,735	$929,202	$1,141,995	$1,164,070
SubTotal	**$1,207,085**	**$1,304,545**	**$1,323,001**	**$1,401,623**	**$1,506,517**	**$1,752,377**	**$1,808,422**
%Change (year over year)		-39.5%	1.4%	5.9%	7.5%	25.0%	20.0%
%Change (Test Year vs Last Rebasing Year - Actual)						-18.7%	38.6%
Total	**$2,155,262**	**$2,208,203**	**$2,323,119**	**$2,532,191**	**$2,595,121**	**$2,904,865**	**$2,974,186**
%Change (year over year)			5.2%	9.0%	2.5%	11.9%	2.4%

	Board Approved	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Operations	$532,044	$491,400	$548,540	$654,295	$673,867	$679,413	$715,973
Maintenance	$416,132	$412,259	$451,578	$476,273	$414,737	$473,074	$449,790
Billing and Collecting	$534,260	$559,556	$601,150	$547,188	$573,154	$597,617	$632,867
Community Relations	$17,800	$578	$758	$9,700	$4,161	$12,765	$11,485
Administrative and General	$655,026	$744,411	$721,094	$844,735	$929,202	$1,141,995	$1,164,070
Total	**$2,155,262**	**$2,208,203**	**$2,323,119**	**$2,532,191**	**$2,595,121**	**$2,904,865**	**$2,974,186**
%Change (year over year)		2.5%	5.2%	9.0%	2.5%	11.9%	2.4%

Table 4.9: Summary of Recoverable OM&A Expenses

	Board Approved	2014	Variance	2015	Variance	2016	Variance	2017	Variance	2018	Variance	2019	Variance
Operations	$532,044	$491,400	$40,645	$548,540	$57,140	$654,295	$105,755	$673,867	$19,573	$679,413	$5,546	$715,973	$36,560
Maintenance	$416,132	$412,259	$3,874	$451,578	$39,319	$476,273	$24,695	$414,737	-$61,537	$473,074	$58,338	$449,790	-$23,284
Billing and Collecting	$534,260	$559,556	-$25,296	$601,150	$41,594	$547,188	-$53,962	$573,154	$25,966	$597,617	$24,463	$632,867	$35,250
Community Relations	$17,800	$578	$17,222	$758	$180	$9,700	$8,942	$4,161	-$5,539	$12,765	$8,604	$11,485	-$1,280
Administrative and General	$655,026	$744,411	-$89,385	$721,094	-$23,317	$844,735	$123,641	$929,202	$84,467	$1,141,995	$212,793	$1,164,070	$22,075
Total OM&A Expenses	$2,155,262	$2,208,203	-$52,941	$2,323,119	$114,916	$2,532,191	$209,072	$2,595,121	$62,930	$2,904,865	$309,744	$2,974,186	$69,321
Adjustments for Total non-recoverable items													
Total Recoverable OM&A Expenses	$2,155,262	$2,208,203	-$52,941	$2,323,119	$114,916	$2,532,191	$209,072	$2,595,121	$62,930	$2,904,865	$309,744	$2,974,186	$69,321
Variance from previous year				$114,916		$209,072		$62,930		$309,744		$69,321	
Percent change (year over year)				5.20%		9.00%		2.49%		11.94%		2.67%	
Percent Change: Test year vs. Most Current Actual								20.41%					
Simple average of %variance for all years													6.26%
Compound Annual Growth Rate for all years													6.1%
Compound Growth Rate (2014 vs. 2017 Actuals)								5.53%					

In accordance with the OEB's minimum filing requirements, the table below outlines the key drivers of OM&A costs over the 2014 to 2019 period.

Table 4.10: Recoverable OM&A Cost Driver Table (Appendix 2-JB)

Reporting Basis	**CGAAP**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
OM&A	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Opening Balance	$2,155,262	$2,208,203	$2,323,119	$2,532,191	$2,595,121	$2,904,865
Continuous Cost Increases						
Wage increase		$42,767	$69,517	$71,121	$42,850	$43,707
Inflation		$11,287	$17,696	$17,315	$9,046	$20,721
New staff			$31,780	$67,541	$42,000	
Locate costs		$26,000				
Cyber security				$25,000	$5,000	
Utilismart contract				$25,000		
CHEC		$22,300	$4,700			
Variable Costs						
Capitalized labour		-$82,845	$56,124	$19,736	$73,129	$1,316
Transformer St. Mtce		$15,000	$13,000	-$36,000	$46,000	-$25,000
Tree trimming		$23,500	$0	-$40,000	$45,000	
Underground services		$30,000	-$17,000			
One-time Costs						
Regulatory costs	$52,941	-$42,353				$46,198
Severance		$42,000	-$42,000			
Micro-grid study			$100,000	-$100,000		
Temporary staff		$30,490	-$11,942	-$18,548	$25,000	
Other		-$3,230	-$12,803	$31,765	$21,719	-$17,621
Decrease in OM&A offseting increase						
Closing Balance	$2,208,203	$2,323,119	$2,532,191	$2,595,121	$2,904,865	$2,974,186
OM&A Summay Integrity Check	**$2,208,203**	**$2,323,119**	**$2,532,191**	**$2,595,121**	**$2,904,865**	**$2,974,186**
Difference	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Cost Drivers

The cost drivers have been organized into three categories: those that have a continuous impact on costs, those that vary from year to year so could have a positive or negative impact on costs (though can still be going up over time) and those that are of a one-time nature.

Continuous Cost Increases

Wage Increases – NOTL Hydro is a unionized company. Non-management staff are members of IBEW Local 636 and their wages are subject to the union agreements. There are two agreements; one for line and engineering staff and one for office workers. However, the agreements are kept identical other than specific provisions that apply to one group or the other. The five-year time period of this analysis is covered by two collective agreements; 2013-2016 and 2016-2020. The following are the annual wage increases built into the agreements:

Table 4.11: Annual Wage Increases under Union Contract

	2014	2015	2016	2017	2018	2019
Annual Wage Increase	2.8%	2.8%	2.1%	2.1%	2.0%	2.0%

Management staff receive the same wage increase as unionized staff but they also receive a bonus of 10-15% of pay based on a combination of personal and company performance. Management staff may also receive a wage adjustment to keep their wages competitive or to reflect the changes in their responsibilities. Changes in personnel may also affect the pay for a given management position. The annual increases will therefore often be higher overall than the contract increase.

Inflation – Inflation has been calculated at the OEB PEG performance rate for all non-labour costs.

New staff – In 2016 and 2017 NOTL Hydro hired a new Customer Service Representative and a new Lineman due to the overall growth in the company business.

Locate Costs – The costs of locates has risen with increased growth and activity. The increase in 2015 was the most significant.

Cyber security – Cyber security is a growing and significant threat to LDCs such as NOTL Hydro. The risks include loss of private customer or employee information, third party access to system controls and general business disruptions. The OEB has recognized Cyber Security a significant concern and developed reporting and monitoring responsibilities. In 2017, NOTL Hydro conducted a Cyber Security audit as a best practice. The cost of this, the resulting increase in costs as findings were corrected and new processes implemented and the new requirements of the OEB mean ongoing new costs.

Utilismart – In 2017, NOTL Hydro signed a new contract with Utilismart for new services relating to the capture and presentation of meter data from large customers and generators. This will assist NOTL Hydro in meeting its reporting requirements and will allow us to provide a better service to the large customers by given them access to this data with the Utilismart tools.

CHEC - In 2015, NOTL Hydro joined CHEC (Cornerstone Hydro Electric Concepts Inc.) at a cost of around $25k per year. NOTL Hydro has found this membership beneficial with cost savings in certain areas (surveys, the CHEC model for this application) and with the operational knowledge from working with other similar sized LDCs closely. NOTL Hydro is not a member of the EDA (Electricity Distributors Association).

Variable Cost Increases

Capitalized Labour - Line, engineering and management staff will work on capital projects at various times. The cost of these services is capitalized. Depending on the amount of capital work in any given year the cost capitalized will vary; as will inversely the amount charged to OM&A. While NOTL Hydro tries to keep the amount of capital work consistent it will vary each year depending on the nature of the planned capital work that year, the customer capital work required and the amount of general service work.

Transformer Station Maintenance – NOTL Hydro owns two transmission stations. The cost of required maintenance at these stations will vary from year to year depending on the nature of the work to be done. There is a large increase in 2018 due to the repairs needed on the tap changer of the old 25 MVA transformer.

Tree Trimming – NOTL Hydro uses a three year rotation to trim the trees along its primary lines. This service is contracted to local Niagara companies and used to be done on an annual or biannual basis. In 2017, the section being maintained was smaller than in previous years so the cost was significantly lower. Going forward, NOTL Hydro has awarded a three year contract so the annual costs should be more stable.

Underground Services – NOTL Hydro does not have the equipment or training for underground electrical services so it contracts these to local suppliers. The amount of service work required will vary from year to year depending on customer needs and any power issues. This service work is awarded separately from the annual capital work through which overhead 4 kV lines are converted to underground 27.6 kV lines.

One-Time Cost Increases

Regulatory Costs – The costs of the cost of service rate application process are incurred once every five years. This amount represents one-fifth of total costs incurred as it is recognized that for rate setting purposes these costs will be amortized over five years.

Severance – In 2015, NOTL Hydro let go a management employee and incurred a $42k severance cost. There is a corresponding reduction in costs in 2016.

Microgrid Study – In 2016, NOTL Hydro conducted its own study on the potential for creating micro grids within Niagara-on-the-Lake. The conclusion was that they were not feasible at this time. There is a corresponding reduction in costs in 2017.

Temporary Staff – In 2015 and 2016, NOTL Hydro had temporary staff (college and university students) providing assistance to the front office, line crew and CDM staff. With the hiring of new staff in 2016 and 2017 this temporary assistance was no longer required. In 2018, one of the finance staff went on maternity leave. The replacement, hired through an agency, will cost an additional $25k for each six-month period.

2.4.2.2 OM&A Variance Analysis

Table 4.12: 2014 Board Approved vs. 2014 Actual

	Board Approved	2014	$ Change	% Change
Operations	$532,044	$491,400	-$40,645	-7.6%
Maintenance	$416,132	$412,259	-$3,874	-0.9%
Billing and Collecting	$534,260	$559,556	$25,296	4.7%
Community Relations	$17,800	$578	-$17,222	-96.8%
Administrative and General	$655,026	$744,411	$89,385	13.6%
Total	**$2,155,262**	**$2,208,203**	**$52,941**	2.5%

Overall, OM&A was 2.5% higher in 2014 than the proposed spend approved by the OEB and used to set rates. Operations was lower by $41k or 7.6%. Operations costs will vary from year to year depending on the amount of capital work to be performed by line staff. Maintenance costs were lower by $4k or 0.9% so were basically at the same level as approved by the OEB. Billing and Collecting was higher by $25k or 4.7% due to higher than normal write-offs; primarily from cleaning up the outstanding cheque balances. Community Relations was lower by $17k or 97% as this budget was largely unspent. General and Administrative costs were $89k or 13.6% higher than Board approved primarily due to costs related to the 2014 cost of service rate application.

Table 4.13: 2014 Actual vs. 2015 Actual

	2014	2015	$ Change	% Change
Operations	$491,400	$548,540	$57,140	11.6%
Maintenance	$412,259	$451,578	$39,319	9.5%
Billing and Collecting	$559,556	$601,150	$41,594	7.4%
Community Relations	$578	$758	$180	31.1%
Administrative and General	$744,411	$721,094	-$23,317	-3.1%
Total	**$2,208,203**	**$2,323,119**	**$114,916**	5.2%

Overall, OM&A was higher in 2015 than in 2014 by 5.2%. Operations costs were higher by $57k due to an increase in locate costs by $26k and an increase in GIS system costs of $16k as the provider billed for both 2014 and 2015 in 2015. Maintenance costs were higher by $39k primarily due to internal and external costs related to fixing an outage on a main underground line. Billing and Collecting costs were $42k higher due to severance pay when the previous Manager of this department was replaced. General and Administrative costs were $23k or 3.1% lower than 2014 as costs related to the 2014 cost of service rate application were no longer being incurred.

Table 4.14: 2015 Actual vs. 2016 Actual

	2015	2016	$ Change	% Change
Operations	$548,540	$654,295	$105,755	19.3%
Maintenance	$451,578	$476,273	$24,695	5.5%
Billing and Collecting	$601,150	$547,188	-$53,962	-9.0%
Community Relations	$758	$9,700	$8,942	1180.3%
Administrative and General	$721,094	$844,735	$123,641	17.1%
Total	**$2,323,119**	**$2,532,191**	**$209,072**	9.0%

Overall, OM&A was higher in 2016 than in 2015 by 9.0%. Operations was higher by $106k or 19.3%. $50k of this was increased labour due to less time spent on capital projects by internal staff; this varies from year to year depending on the nature of the capital projects and customer service requirements. The remainder of the increase was a one-time study on the potential use of micro-grids to reduce customer costs; some of these costs were also booked to administration.

As this study was a one-time event, was fully expensed and not in a rebasing year, the cost of the study has been fully absorbed by the shareholder. Maintenance was up $25k or 5.5% due to higher transmission station maintenance. Billing and Collecting was down $54k or 9.0% as 2015 had the $42k severance payment. In addition, lower labour costs due to a maternity leave were offset by higher bad debt expenses from an illegal grow-op. General and Administration costs were higher due the micro-study referred to above and the cost of the retirement and then hiring a new VP Finance.

Table 4.15: 2016 Actual vs. 2017 Actual Year

	2016	2017	$ Change	% Change
Operations	$654,295	$673,867	$19,573	3.0%
Maintenance	$476,273	$414,737	-$61,537	-12.9%
Billing and Collecting	$547,188	$573,154	$25,966	4.7%
Community Relations	$9,700	$4,161	-$5,539	-57.1%
Administrative and General	$844,735	$929,202	$84,467	10.0%
Total	**$2,532,191**	**$2,595,121**	**$62,930**	2.5%

Overall, OM&A was higher in 2017 than in 2016 by 2.5%. Operations costs were largely unchanged with 3% or $20k growth. Maintenance was down $62k due to lower station maintenance, this will vary from year to year based on needs, and the tree trimming contract which was $40k lower in 2017 due to it being the easiest section of a three year rotation. Billing and Collecting was up 4.7% or $26k with the cost of a new Customer Service Representative being somewhat offset by bad debt expense which was down $47k. Administrative and General Costs were up 10% or $84k due to a cyber security audit and increased IT costs related to cyber security.

Table 4.16: 2017 Actual vs. 2018 Bridge Year

	2017	2018	$ Change	% Change
Operations	$673,867	$679,413	$5,546	0.8%
Maintenance	$414,737	$473,074	$58,338	14.1%
Billing and Collecting	$573,154	$597,617	$24,463	4.3%
Community Relations	$4,161	$12,765	$8,604	206.8%
Administrative and General	$929,202	$1,141,995	$212,793	22.9%
Total	**$2,595,121**	**$2,904,865**	**$309,744**	11.9%

Overall, OM&A is expected to be higher in the 2018 Bridge Year than in 2017 by 11.9%. Operations costs are forecast to be flat. The transfer of the cost of the VP Operations to Administration is being offset by an increase in labour as less allocation to capital work is expected. This is not a change in accounting policy but a change in work practice. Maintenance is up by $58k or 14.1% as the annual tree trimming budget returned to its normal level and the additional costs incurred to fix the tap changer on the T2 transformer at NOTL station. Billing and Collecting is up by $24k or 4.3% due to additional services to be supplied by Utilismart which will allow NOTL Hydro to improve the electricity usage information being supplied to its larger customers and generators. Administration is up by $213k or 22.9% due to the additional cost of the VP Operations and increased staffing costs from maternity coverages.

Table 4.17: 2018 Bridge Year vs. 2019 Test Year

	2018	2019	$ Change	% Change
Operations	$679,413	$715,973	$36,560	5.4%
Maintenance	$473,074	$449,790	-$23,284	-4.9%
Billing and Collecting	$597,617	$632,867	$35,250	5.9%
Community Relations	$12,765	$11,485	-$1,280	-10.0%
Administrative and General	$1,141,995	$1,164,070	$22,075	1.9%
Total	**$2,904,865**	**$2,974,186**	**$69,321**	2.4%

Overall, OM&A is expected to be higher in the 2019 Test Year than in the 2018 Bridge Year by 2.4%. Operations is up by $37k or 5.4% primarily due to higher pole rental fees to be paid to Bell. Billing and collecting is up by $35k or 5.9% due to increased meter reading costs with more interval meters and the use of Utilismart. Administration is up by $22k or 1.9% due to the increase in regulatory costs.

2.4.2.3 OM&A per Customer

The OEB's Appendix 2-L Recoverable OM&A Cost per Customer and per FTE calculates the cost per customer per full time employee. This information is shown in the table below and covers the 2014 to 2019 period:

Table 4.18: Recoverable OM&A Cost per Customer and per FTE

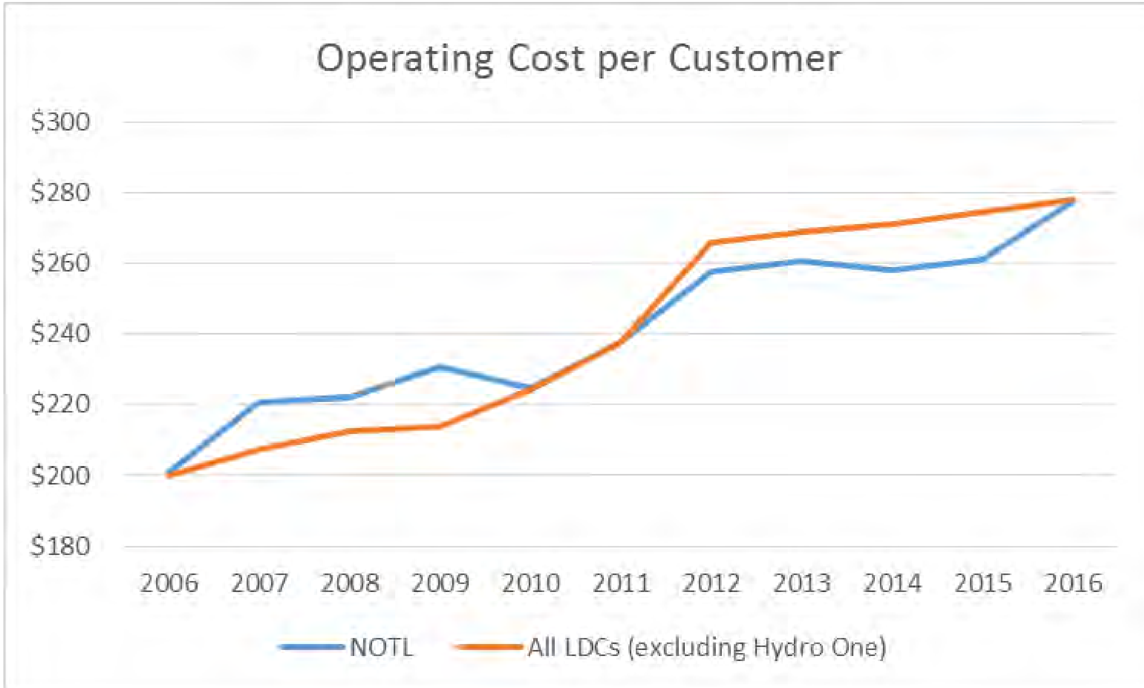
	2014 Board Approved	2014	2015	2016	2017	2018	2019
Reporting Basis							
OM&A Costs							
O&M	$ 1,500,236	$ 1,463,792	$ 1,602,025	$ 1,687,456	$ 1,665,919	$ 1,762,870	$ 1,810,116
Admin Expenses	$ 655,026	$ 744,411	$ 721,094	$ 844,735	$ 929,202	$ 1,141,995	$ 1,164,070
Total Recoverable OM&A	$ 2,155,262	$ 2,208,203	$ 2,323,119	$ 2,532,191	$ 2,595,121	$ 2,904,865	$ 2,974,186
Number of Customers [2,4]	8,522	8,574	8,860	9,134	9,321	9,469	9,649
Number of FTEs [3,4]	19.10	16.03	17.45	17.48	17.60	18.08	18.00
Customers/FTEs	446.18	534.95	507.80	522.49	529.66	523.61	536.06
OM&A cost per customer							
O&M per customer	176	171	181	185	179	186	188
Admin per customer	77	87	81	92	100	121	121
Total OM&A per customer	253	258	262	277	278	307	308
OM&A cost per FTE							
O&M per FTE	78,546	91,329	91,819	96,531	94,663	97,486	100,562
Admin per FTE	34,295	46,446	41,329	48,323	52,800	63,152	64,671
Total OM&A per FTE	112,841	137,775	133,148	144,854	147,463	160,638	165,233

The OM&A costs per customer in the Test Year have increased 22% since the 2014 Board Approved costs and 19% compared to the 2014 actual results. Half of this increase can be attributed to inflation. The remainder of the increase can be attributed to the increased investment in the NOTL Hydro system (new transformers, automated switches and reclosures, asset management systems, etc.) that create additional operating costs as well as increased demands on LDCs (growing renewable distributed generation, net metering, new provincial tariffs, more customer communications and incremental regulatory requirements); all of which increase costs.

According to the OEB's published 2016 Yearbook, the total cost per customer provincial average was $431. However, if Hydro One is removed from this calculation the provincial average becomes $278. NOTL Hydro's total cost per customer average was $278.

A comparison of cost per customer between NOTL Hydro and the average of the other LDCs, excluding Hydro One, is below:

Chart 4.19: Operating Cost per Customer



Total cost per customer is calculated as:

$$= \frac{\text{Operating Expenses}}{\text{Average Number of Customers}}$$

OM&A costs per FTE have increased 46% over 2014 Board approved costs ($112,841) and 20% over 2014 actual results ($137,775) to a forecast $165,233 in 2019. The Board approved FTE of 19.1 was reduced by 2.8 FTE in the actual 2014 due to a combination of layoffs, retirements and long term disabilities. The trend since 2014 has been increasing OM&A per FTE as NOTL Hydro has used outsourcing and productivity to improve performance.

Some examples of outsourcing and cost-sharing over the past five years have included:

- Bill printing has been outsourced to ERTH.
- The costs of the customer satisfaction and safety surveys are being shared with other CHEC members in order to keep the actual cost increases lower than if NOTL Hydro acted alone.
- The outage management system is being managed by Savage Data.

- All the changes that have been required in the customer billing systems to accommodate the changing requirements of the Ministry of Energy have been implemented in co-operation with other UCS members in order to keep the overall cost increase down.

All these examples serve to increase the OM&A per FTE.

2.4.3 Program Delivery Costs with Variance Analysis

Program Description

In its simplest expression, the job of a local distribution company in Ontario is to keep the lights on and bill its customers on behalf of the full electricity system. NOTL Hydro therefore defines its programs in a manner largely consistent with the breakdown of the OEB in the analysis above:

Operations – Keeping the lights on.

Customer Service – Billing the customer.

Administration – Overall management and administrative support for Operations and Customer Service.

Operations Overview

Operations includes functions classified as both Operations and Maintenance under the OEB record keeping. At NOTL Hydro this includes the line department (staff of 4), the line supervisor and the engineering department (staff of 3). It also includes some key services that are outsourced including tree trimming, transmission station maintenance, some engineering and SCADA management, the control centre, underground service and capital work, some metering and some overhead line service and capital work. In addition to the above outsourced services, key work performed by these departments include outage management, metering, new customer connections, renewable generation connections, system maintenance, capital work, GIS system maintenance, system design, disconnections and customer trouble calls. Considerable time is also spent on safety training and equipment maintenance to ensure the above functions are conducted in a safe and efficient manner.

Customer Service Overview

The Customer service department has a staff of four including one Manager and three Customer Service Representatives. Key activities managed by the department include billing, collecting, customer calls, customer visits at the office and rates management in the CIS system. This department also bills and collects for water and wastewater though that time is charged to the Town of Niagara-on-the-Lake which reduces the overall cost to NOTL Hydro.

Administration

Administration includes the finance department (staff of 2), conservation (staff of 1) and the executive (staff of 3). The conservation manager also manages information technology so his time is charged accordingly. There is no human resources department or staff. Key activities managed by Administration include all finance functions (financial reporting, cash management, treasury, accounts payable, payroll), regulatory requirements, legal, human resources, information technology, conservation, stakeholder relations, reporting to the Board and overall management.

2.4.3.0 Program Variance Analysis

Table 4.20: OM&A Cost by Program

	Board Approved	2014	2015	2016	2017	2018	2019	2019 vs. Board Approved	2019 vs. 2017
Operations	$948,177	$903,658	$1,000,118	$1,130,568	$1,088,604	$1,152,487	$1,165,763	$217,586	$77,160
		-4.7%	10.7%	13.0%	-3.7%	5.9%	1.2%	22.9%	7.1%
							5.2%		
Customer Service	$534,260	$559,556	$601,150	$547,188	$573,154	$597,617	$632,867	$98,608	$59,714
		4.7%	7.4%	-9.0%	4.7%	4.3%	5.9%	18.5%	10.4%
							2.5%		
Administrative and General	$672,826	$744,989	$721,851	$854,435	$933,363	$1,154,760	$1,175,555	$502,729	$242,192
		10.7%	-3.1%	18.4%	9.2%	23.7%	1.8%	74.7%	25.9%
							9.6%		
Total	**$2,155,262**	**$2,208,203**	**$2,323,119**	**$2,532,191**	**$2,595,121**	**$2,904,865**	**$2,974,186**	**$818,923**	**$379,065**
%Change (year over year)		2.5%	5.2%	9.0%	2.5%	11.9%	2.4%	38.0%	17.6%

A more detailed analysis can be seen in Appendix 2-JC.

Operations has grown at an annual rate of 5.2%. Key factors driving this growth in expenses have been the increase in staffing of 14% with the addition of a new lineman in 2017, increased service requirements with customer growth, reduced capital work due to the increase in service requirements and increased maintenance at the transmission stations. Operations costs would have shown faster growth but for the transfer of the VP Operations costs to Administration.

Material drivers in the change in Operations costs include:

Table 4.21: Operations Program Costs Drivers

Cost	Variance since Board Approved 2014	Variance since 2017	Explanation
Distribution sub-stations	$53,690	$18,984	Increased maintenance at the 2 transmission stations due to age, increased activity and service requirements. Most of this work is contracted to third parties due to need for transmission voltage expertise.
Overhead	$192,432	$69,673	All non-capital service work on overhead lines increasing due to wage increases, increased traffic in Town and shift in focus on customer service from capital work.
Engineering	-$45,671	-$62,067	Transfer of most of non-dedicated VP Operations time to Administration.

Customer service has grown at an annual rate of 2.5%; largely in line with wage increases. NOTL Hydro has been able to minimize the cost increases of this program through continued use of UCS to provide the CIS system maintenance, outsourced bill printing and tight controls over bad debts which were high in 2014.

Material drivers in the change in Customer Service costs include:

Table 4.22: Customer Service Program Costs Drivers

Cost	Variance since Board Approved 2014	Variance since 2017	Explanation
Customer Service	$96,605	$57,499	Includes mailing, billing and collections. Increased due to increased number of customers and resulting increase in staff, increased wages and recent signing of services with Utilismart to provide improved data access to our large customers and generators.

Administration has grown at an annual rate of 8.8%. Key factors driving this growth in expenses have been the increase in regulatory costs with the expected cost of this rate application, the inclusion of much of the costs of the VP Operations, an increase in staffing in finance and regulatory to handle the increased requirements, increased costs relating to cyber security and increased wages with a new executive team.

Material drivers in the change in Administration costs include:

Table 4.23: Administration Program Costs Drivers

Cost	Variance since Board Approved 2014	Variance since 2017	Explanation
Executive salaries and professional services	$296,103	$161,609	Increased due to addition of VP Operations to Administration, new staff in all three executive roles and less time charged to capital due to focus on other responsibilities.
IT, software, communications	$67,273	$10,986	Increased due to increased cyber-security demands that required new contract with IT provider and more time dedicated by internal staff.

2.4.3.1 Workforce Planning and Employee Compensation

Overview

NOTL Hydro's overall compensation philosophy for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel. The compensation package includes a base wage and benefits package as well as a bonus for certain management personnel. As NOTL Hydro states in the Principles on its website:

> "*We should hire the best employees possible and have the best working environment. Motivated and intelligent employees will always provide the best service and, in the long run, at the lowest cost.*"

Staffing and Compensation

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

The salaries and wages amounts include all salaries and wages paid, inclusive of overtime, vacations, holidays, sick leave, bereavement leave, and bonuses. The benefits amount include the employer's portion of statutory benefits (CPP, EI and EHT), employer contributions to OMERS and WSIB and NOTL Hydro's costs for providing extended health care, dental, long-term disability and life insurance for its employees.

The table below details NOTL Hydro's employee compensation (Appendix 2-K).

Table 4.24: Employee Compensation

	Last Rebasing Year (2014 Board Approved)	Last Rebasing Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals	2018 Bridge Year	2019 Test Year
Number of Employees (FTEs including Part-Time)[1]							
Management (including executive)	6	5	5	5	6	6	6
Non-Management (union and non-union)	13	10	11	12	12	12	12
Total	19	15	16	17	18	18	18
Total Salary and Wages including ovetime and incentive pay							
Management (including executive)	$ 611,906	$ 538,997	$ 530,811	$ 574,605	$ 564,591	$ 652,445	$ 665,494
Non-Management (union and non-union)	$ 874,309	$ 794,717	$ 849,769	$ 841,184	$ 964,936	$ 976,380	$ 995,910
Total	$ 1,486,214	$ 1,333,714	$ 1,380,580	$ 1,415,789	$ 1,529,527	$ 1,628,826	$ 1,661,404
Total Benefits (Current + Accrued)							
Management (including executive)	$ 130,289	$ 123,542	$ 99,963	$ 135,696	$ 131,592	$ 148,231	$ 150,442
Non-Management (union and non-union)	$ 197,428	$ 182,156	$ 160,029	$ 198,649	$ 224,903	$ 227,360	$ 230,565
Total	$ 327,717	$ 305,698	$ 259,992	$ 334,345	$ 356,495	$ 375,592	$ 381,007
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$ 742,195	$ 662,540	$ 630,774	$ 710,301	$ 696,183	$ 800,676	$ 815,936
Non-Management (union and non-union)	$ 1,071,737	$ 976,873	$ 1,009,798	$ 1,039,833	$ 1,189,839	$ 1,203,741	$ 1,226,475
Total	$ 1,813,931	$ 1,639,412	$ 1,640,572	$ 1,750,134	$ 1,886,022	$ 2,004,417	$ 2,042,411

Compensation – Union

NOTL Hydro is a unionized company. Non-management staff are members of IBEW Local 636 and their wages are subject to the union agreements. There are two agreements; one for line and engineering staff and one for office workers. However, the agreements are kept identical other than specific provisions that apply to one group or the other. The five year time period of this analysis is covered by two collective agreements: 2013-2016 and 2016-2020. The following are the annual wage increases built into the agreements:

Table 4.25: Annual Wage Increases under Union Contract

	2014	2015	2016	2017	2018	2019
Annual Wage Increase	2.8%	2.8%	2.1%	2.1%	2.0%	2.0%

Compensation - Management

Management staff receive the same wage increase as unionized staff but they also receive a bonus of 10-15% of pay based on a combination of personal and company performance. Management staff may also receive a wage adjustment to keep their wages competitive or to reflect the changes in their responsibilities. Changes in personnel may also affect the pay for a given management position. The annual increases will therefore often be higher overall than the contract increase.

Annual Variances

Table 4.26: Total Compensation

	Board Approved	Actual	Actual	Actual	Actual	Bridge Year	Test Year
	2014	2014	2015	2016	2017	2018	2019
Total Compensation	1,813,931	1,639,412	1,640,572	1,750,134	1,886,022	2,004,417	2,042,411
Variance		-9.6%	0.1%	6.7%	7.8%	6.3%	1.9%

Board Approved 2014 – Actual 2014 – The actual cost in 2014 was much lower due to a reduction in the expected headcount of three. The President retired and was not replaced until July of 2014. An office clerk also retired and was not replaced. During the first six months there was a part-time caretaker President. One of the Engineer Technologists was laid off and the position was not brought back. The CDM Manager went on long-term disability leave.

Actual 2014 – Actual 2015 – Little change in cost. A $47k increase in salaries and wages was offset by a $46k decrease in benefit costs. The 3.5% increase in salaries and wages was made up of the 2.8% increase in wages under the Union contract plus having the President role filled for the full year. The decrease in benefits was primarily in health benefits due to changes in usage.

Actual 2015 - Actual 2016 – Total cost was up 6.7% or $90k due to the 2.1% increase in wages under the Union contracts and a $75k increase in benefits costs which was primarily health and OMERS.

Actual 2016 – Actual 2017 – Total cost was up 7.8% or $136k due to the 2.1% increase in wages under the Union contracts, the hiring of two new staff (Customer Service Representative and Lineman), one of the Lineman moving from being an Apprentice to being a Journeyman Lineman, the transitioning to new VP Finance and VP Operations with overlap and an increase in benefits of $20k.

Actual 2017- Bridge Year 2018 – Total cost is expected to rise 6.3% due to the 2.0% increase in wages under the Union contract, one month overlap and then the replacement of a maternity leave with a higher priced contract staff, a full year with the new VP Operations and an increase in benefits of $20k.

Bridge Year 2018 – Test Year 2019- Total cost is expected to rise 1.9% which is in line with the Union contract increase of 2%.

Benefit Program Costs

A detailed summary of benefit program costs are presented below in the table below:

Table 4.27: Benefit Expenses

	Board Approved	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Benefit	2014	2014	2015	2016	2017	2018	2019
CPP		42,244	39,721	40,143	47,975	48,673	48,719
EI		23,696	17,435	22,676	21,886	28,878	29,456
OMERS		130,254	137,003	147,576	157,433	167,699	172,102
Life Insurance		4,922	2,187	7,126	6,036	7,454	7,603
Health and Dental		53,738	12,868	62,872	62,586	68,541	68,569
WSIB		12,395	7,806	10,748	14,380	14,270	14,426
Employee Health Tax		24,375	28,383	29,000	30,808	22,497	22,552
EAP service		1,018	1,189	1,529	816	1,784	1,784
Long Term Disability		13,056	13,400	12,675	14,575	15,797	15,797
Total	$327,717	$305,698	$259,992	$334,345	$356,495	$375,592	$381,007
Variance		-6.7%	-15.0%	28.6%	6.6%	5.4%	1.4%
Variance (2014-2019)							24.6%

Total company benefits have increase 24.6% from 2014 to 2019. The biggest benefit is OMERS which accounts for 45% of all benefits. OMERS has increased by 32% over this time period and has therefore accounted for most of the benefit cost increase. Benefits are expensed on an accrual basis.

Pension

The employees of NOTL Hydro participate in the OMERS retirement plan. Therefore, the pension benefits provided to the employees of NOTL Hydro are consistent with the pension benefits provided to employees of other LDCs. The cost of OMERS is based on the earnings of the employee (see table below) so as salaries and wages increase then so does the cost of OMERS. Pensions are accounted for on an accrual basis based on OMERS rates. As part of OMERS, NOTL Hydro does not have the data or requirement for pension accounting.

Table 4.28: OMERS Rate Increases (2014 to 2018)

Year	YMPE	Contribution on Earnings up to WMPE	Contribution on Earnings above YMPE
2014	$52,500	9.00%	14.60%
2015	$53,600	9.00%	14.60%
2016	$54,900	9.00%	14.60%
2017	$55,300	9.00%	14.60%
2018	$55,900	9.00%	14.60%

Benefits

A comprehensive and competitive benefits package exists which includes health and dental insurance, life insurance, long-term disability, vacation and leave policies. The plans are designed to address the health and well-being of employees.

Employee Staffing Levels (annual average)

Table 4.29: Employee Staffing Levels

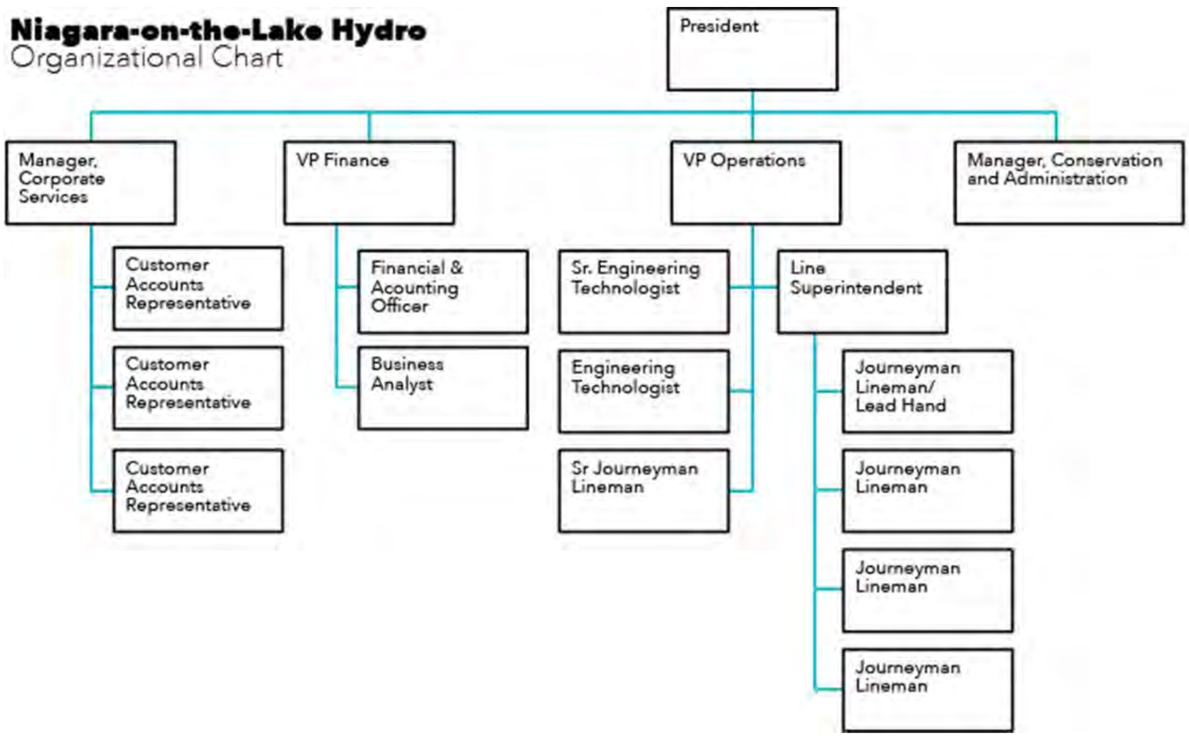
	Board Approved	Actual	Actual	Actual	Actual	Bridge Year	Test Year
	2014	2014	2015	2016	2017	2018	2019
Executive	3.00	3.00	3.00	3.05	3.04	3.00	3.00
Management	3.00	2.58	2.00	2.00	2.60	3.00	3.00
Union	12.00	9.26	9.85	9.59	10.97	11.50	11.50
Non-union	1.00	1.19	2.60	2.84	0.98	0.58	0.50
Total	19.00	16.03	17.45	17.48	17.60	18.08	18.00

Changes in Staff Levels

From 2013 and 2014 there was a drop in staff of three. The President retired and was not replaced until July of 2014. An office clerk also retired and was not replaced. During the first six months there was a part-time caretaker President. One of the Engineer Technologists was laid off and the position was not brought back. The CDM Manager went on long-term disability leave.

In 2015 and 2016 there were various temporary staff that resulted in an increase in average staff of 1.5. In 2016 and 2017 two new staff were hired on a permanent basis which brought the staffing level to 18. No new staff are currently contemplated but this will be reviewed periodically based on growth and needs.

Table 4.30: NOTL Hydro's Current Structure (effective January 1st 2018)



2.4.3.2 Shared Services and Corporate Cost Allocation

NOTL Hydro has two affiliates; Niagara-on-the-Lake Energy Inc. (NOTL Energy) and Energy Services Niagara Inc. (ESNI).

NOTL Energy is a holding company that has no active operations or revenue. Its only expenses are those it directly incurs as a corporate entity: corporate insurance and auditor charges for the preparation of the annual tax return.

ESNI is a subsidiary of NOTL Energy and a sister company to NOTL Hydro. The non-regulated activities of NOTL Energy are conducted within ESNI. During the period from 2014-2019 these have included: a water heater rental business, water billing services on behalf of the Town of Niagara-on-the-Lake and solar generation. ESNI has no direct employees so all services supplied by NOTL Hydro staff are billed to ESNI on a cost plus basis.

The following is a breakdown of the services supplied to ESNI by year (Appendix 2-N):

Table 4.31: Services to ESNI (2014-2019)

Year: 2014

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service	% Allocation
From	To			$	$	
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Billing- Customer Service-Billing/collecting/Account Inquiries/Reports/Water reads	Cost-Base	$89,478.97	$74,791.81	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Gas Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$2,229.83	$1,880.76	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Electric Water Heaters- Finance-Accounts Payable/Receivable, Account Reconcilations, Payroll	Cost-Base	$2,993.78	$2,496.64	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Bills- Printed/Cancelled bills	Cost-Base	$37,441.89	$34,038.08	# of bills printed/cancelled * proportion related to water bills* cost of bill print plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Adminstrative Expenses- Mtce General Plant, Property Taxes, Property Insurance	Cost-Base	$6,129.81	$5,572.55	0.0483% on mtce of building, property taxes, property insurance plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Board Of Directors-Payroll	Cost-Base	$8,400.00	$8,400.00	2 members x $250 + 2 @ $100 per meeting

Year: 2015

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service	Allocation
From	To			$	$	
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Billing- Customer Service-Billing/collecting/Account Inquiries/Reports/Water reads	Cost-Base	$78,748.12	$65,755.40	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Gas Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$385.97	$321.64	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Electric Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$813.71	$679.75	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Bills- Printed/Cancelled bills	Cost-Base	$38,403.77	$34,912.52	# of bills printed/cancelled * proportion related to water bills* cost of bill print plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Meter Installs- Verifying meter installs, water reads/billing for water # meters installs	Cost-Base	$28,716.66	$24,190.30	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Adminstrative Expenses- Mtce General Plant, Property Taxes, Property Insurance, Audit Fees, Office Supplies	Cost-Base	$7,462.07	$6,783.70	0.0543% on mtce of building, property taxes, property insurance plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Board Of Directors-Payroll	Cost-Base	$8,400.00	$8,400.00	2 members x $250 + 2 @ $100 per meeting

1

Year: 2016

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service	Allocation
From	To			$	$	
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Billing- Customer Service-Billing/collecting/Account Inquiries/Reports/Water reads	Cost-Base	$82,471.07	$69,251.08	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Gas Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$921.18	$767.61	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Electric Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$753.98	$628.31	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Bills- Printed/Cancelled bills	Cost-Base	$41,844.14	$38,040.13	# of bills printed/cancelled * proportion related to water bills* cost of bill print plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Meter Installs- Verifying meter installs, water reads/contractor charges # meters installs	Cost-Base	$14,013.00	$12,573.76	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Adminstrative Expenses- Mtce General Plant, Property Taxes, Property Insurance, Audit Fees, Office Supplies	Cost-Base	$7,595.49	$6,904.99	0.0543% on mtce of building, property taxes, property insurance plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Board Of Directors-Payroll	Cost-Base	$8,400.00	$8,400.00	2 members x $250 + 2 @ $100 per meeting

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Year: 2017

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service	Allocation
From	To			$	$	
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Billing- Customer Service-Billing/collecting/Account Inquiries/Reports/Water reads	Cost-Base	$81,313.67	$68,029.88	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Payable Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Gas Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$147.14	$122.61	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Electric Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll/Solar Panel- Engineering Consulting	Cost-Base	$7,358.83	$6,132.68	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Bills- Printed/Cancelled bills	Cost-Base	$43,059.47	$39,144.97	# of bills printed/cancelled * proportion related to water bills* cost of bill print plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Meter Installs- Contractor charges for #Meter Installed	Cost-Base	$17,435.20	$15,850.19	Service Cost is marked up as follows: Labour 20%, Truck 10%, Material 10%, Contractor 10% Accounts Paybale Misc 10%
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Adminstrative Expenses- Mtce General Plant, Property Taxes, Property Insurance, Audit Fees, Office Supplies	Cost-Base	$4,815.75	$4,377.95	0.0337% on mtce of building, property taxes, property insurance plus 10% mark-up
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Board Of Directors-Payroll	Cost-Base	$8,400.00	$8,400.00	2 members x $250 + 2 @ $100 per meeting

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Year: **2018**

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Billing- Customer Service-Billing/collecting/Account Inquiries/Reports/Water reads	Cost-Base	$82,716.98	$69,200.81
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Gas Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$0.00	$0.00
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Electric Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll/Solar Panel- Engineering Consulting	Cost-Base	$3,501.20	$2,917.66
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Bills- Printed/Cancelled bills	Cost-Base	$43,593.92	$39,630.84
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Meter Installs- Contractor charges for #Meter Installed	Cost-Base	$12,078.00	$10,980.00
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Adminstrative Expenses- Mtce General Plant, Property Taxes, Property Insurance, Audit Fees, Office Supplies	Cost-Base	$6,516.63	$5,924.21
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Board Of Directors-Payroll	Cost-Base	$8,400.00	$8,400.00

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Year: **2019**

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Billing- Customer Service-Billing/collecting/Account Inquiries/Reports/Water reads	Cost-Base	$85,676.13	$71,666.78
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Gas Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll	Cost-Base	$0.00	$0.00
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Electric Water Heaters- Finance-Accounts Payable/Receivable,Account Reconcilations, Payroll/Solar Panel- Engineering Consulting	Cost-Base	$2,103.03	$1,752.53
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Bills- Printed/Cancelled bills	Cost-Base	$44,117.04	$40,106.40
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Water Meter Installs- Contractor charges for #Meter Installed	Cost-Base	$12,078.00	$10,980.00
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Adminstrative Expenses- Mtce General Plant, Property Taxes, Property Insurance, Audit Fees, Office Supplies	Cost-Base	$6,516.63	$5,924.21
Niagara-on-the-Lake Hydro Inc	Energy Services Inc	Board Of Directors-Payroll	Cost-Base	$8,400.00	$8,400.00

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The following table provides a comparison of shared services between the OEB approved 2014, the actual 2017 and the test year 2019:

Table 4.32: Services to ESNI Comparisons

Service	2014 OEB Approved	2017 Actual	2019 Proposed
Water heaters rental support	$4,200	$7,505	$2,103
Water and waste water billing	$110,500	$141,808	$141,871
Administration	$5,800	$4,816	$6,517
Board of Directors	-	$8,400	$8,400
Total	**$120,500**	**$162,530**	**$158,891**

The water heater support business was sold in 2014. Some administrative services are still being provided to the purchaser but these are declining over time.

The water and wastewater billing services have increased over time with the growth in the number of customers. Beginning in 2015, the Town of Niagara-on-the-Lake began installing transmitters to remotely read the water readers in a manner similar to electric smart meters. This initially increased the costs being charged for this service but as the transition problems are being resolved and the benefits of the remote reading realized, the costs are expected to decline.

Administration is an allocation of overhead including premises, insurance and other similar charges.

Two of the Board members are on the Board of ESNI. Technically they are paid by ESNI but as ESNI has no employees and no payroll system the costs flow through NOTL Hydro.

2.4.3.3 Purchases of Non-Affiliate Services

NOTL Hydro purchases equipment, materials, and services in a cost effective manner with full consideration given to price as well as product quality, the ability to deliver on time, reliability, compliance with engineering specifications and quality of service. In making purchase decisions, NOTL Hydro also considers the “total acquisition cost” (i.e. value for money) rather than the lowest bid, and this includes, but limited to such factors as repairs, staff training, compatibility, warranty, trade-in values, recycling and safe environmental disposal.

Vendors are screened to ensure knowledge, reputation, and the capability to meet NOTL Hydro's needs. The procurement of goods and/or services for NOTL Hydro is carried out with highest of ethical standards and consideration to the public nature of the expenditures. NOTL Hydro has a Purchasing and Procurement Policy that the company adheres to and a copy of this policy is contained in the Appendix.

All substantial purchases of goods and services must be approved by the Board of Directors of NOTL Hydro as presented in the annual Operating and Capital budgets. Formal Board of Director's approval of the annual Operating and Capital budgets constitutes financial approval to proceed with the procurement process. Budget amendments, capital expenditures not yet approved in the budget or special expenditures must be supported by a Resolution by the Board of Directors. The Resolution shall specify the purpose of the expenditure and the funding source.

All payments for goods and services over $50,000 require the signature of a Board member. The only exceptions are what are considered non-controllable, regular expenditures such as taxes, interest and payments on debt, IESO invoices and payments to the Town of Niagara-on-the-Lake in the regular course of business (primarily collections on water invoices).

When goods or services are tendered, a Tender/Request for Proposal or a Request for Quote will be issued to a minimum of three vendors, if availability permits.

A copy of NOTL Hydro's purchasing policy has been attached as Appendix 4F.

NOTL Hydro's 2017 Vendor list over the materiality threshold of $50,000 is presented below:

Table 4.33: Products and Services from Non Affiliates 2017

Supplier	Service
Alectra Utilities Corporation	SCADA operator and Load transfer
Anixter Power Solutions Canada Inc	Distribution equipment supplies
Burman Energy	CDM Services
Canada Post Corporation	Postage
Claimsecure Inc	Benefits provider
Hy-Line Utility Solutions Inc	Line services
Jubb Utility Supply Ltd	Tools
KPMG LLP	Auditor
LaPrairie Inc.	Distribution equipment supplies
Niagara Peninsula Energy Inc	Load transfer
Peninsula Video & Sound Inc	Locates
Raven Engineering Inc	Engineering Services
Sensus Canada Inc	Meters
Siemens Transformers Canada Inc	Transformers
Skycomp Solutions Inc	IT support
Stella-Jones Inc	Wood poles
Utility Collaborative Services	CIS system
Wiens Underground Electric Inc	Underground services

2.4.3.4 One-time Costs

The only noteworthy one-time cost included in the 2019 test year OM&A is the regulatory cost of this application. NOTL Hydro is proposing to spread this cost over the five years of the application period.

One-time costs included in historical years include the $42k severance paid in 2015 and the micro-grid study of $100k in 2016.

The material capital expenditures that would be considered one-time are the installation of the 50 MVA transformer installed in NOTL station in 2015 for $2.6 million and the planned 83 MVA transformer to be installed in York station in 2019 for $3.5 million.

2.4.3.5 Regulatory Costs

The table below shows NOTL Hydro's regulatory costs for 2014-2017, 2018 Bridge Year and 2019 Test Year. All regulatory costs listed in this table are tracked in account 5655 – Regulatory Expenses. NOTL Hydro uses sub-accounts to track OEB Assessments, Cost Awards from the OEB and the costs associated with NOTL Hydro's rate applications (i.e.; annual IRM's filings and cost of service rate applications).

Table 4.34: Breakdown of Regulatory Costs

	Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost?	Last Rebasing Year Board Approved	2014	2015	2016	2017	2018	2019
1	OEB Annual Assessment	5655		On-Going	$ 30,300	$ 28,850	$ 29,681	$ 32,729	$ 30,300	$ 30,300	$ 39,840
2	OEB Section 30 Costs (Applicant-originated)	5655		On-Going		$ 373	$ 505	$ 20			
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$ 1,900	$ 514	$ 4,109	$ 637	$ 1,000	$ -	
4	Expert Witness costs for regulatory matters	5655									
5	Legal costs for regulatory matters	5655		One-Time	$ 20,000	$ 1,071					
6	Consultants' costs for regulatory matters	5655		One-Time			$ 2,000	$ 1,650		$ -	$ 2,000
7	Operating expenses associated with staff resources allocated to regulatory matters	5655		On-Going						$ 1,190	$ 1,113
8	Operating expenses associated with other resources allocated to regulatory matters	5655		One-Time		$ 740	$ 9,445	$ 2,366	$ 14,661	$ 5,334	$ 5,398
9	Other regulatory agency fees or assessments	5655									
10	Any other costs for regulatory matters (please define) Annual Registration Fee + COS	5655		One-Time	$ 800	$ 800	$ 800	$ 800	$ 800	$ 800	$ 38,800
11	Intervenor costs	5630		One-Time			$ 4,495	$ 1,504		$ 59	
12	Sub-total - Ongoing Costs		$ -		$ 32,200	$ 29,737	$ 34,295	$ 33,386	$ 31,300	$ 31,490	$ 40,953
13	Sub-total - One-time Costs		$ -		$ 20,800	$ 2,611	$ 16,740	$ 6,320	$ 15,461	$ 6,192	$ 46,198
14	Total		$ -		$ 53,000	$ 32,348	$ 51,035	$ 39,706	$ 46,761	$ 37,682	$ 87,151

In the table above NOTL Hydro has shown the amortized cost of this application as amortized over 5 years commencing in 2019. It is recognized that under IFRS all the regulatory costs related to this application will be booked in 2018 and 2019.

NOTL Hydro has also updated Chapter 2 Appendix 2-M with the breakout of actual and forecasted costs incurred in preparing and submitting NOTL Hydro's 2019 Cost of Service rate application as well as reaching a Decision and Order from the Board. The table below summarizes these costs:

Table 4.35: Overview of Regulatory Costs for 2019 Cost of Service Application

Cost of Service Cost Components

Application - Consulting (TESI)	$10,000.00
Application - Consulting (CGE)	$13,500.00
Application - Auditor	$10,000.00
Applicaton - Legal	$5,000.00
Interogatories - Consulting	$7,500.00
Interogatories - Auditor	$2,500.00
Interogatories - Legal	$5,000.00
Settlement - Consulting	$5,000.00
Settlement - Legal Review	$15,000.00
Presentation Day	
OEB Customer Session	$10,000.00
Public Notice	$1,500.00
Oral Hearings	$30,000.00
Intervenor Costs	$75,000.00
Incremental	
Rate Order	$0.00
Total Cost of Service Filing costs	$190,000.00

NOTL Hydro recognizes that the actual costs for the subcategories of regulatory costs set our above will likely be different from forecast, depending on how the case proceeds. Other considerations include:

- TESI is Tandem Energy Services Inc. who has assisted NOTL Hydro in developing this cost of service application
- CGE is CGC Educational Communications who acted as an independent observer at the public information sessions NOTL Hydro hosted in 2018, had private discussions with a number of customers and reviewed the results of the survey undertaken at these sessions. Their report is included in this application.
- Interrogatory, settlement and hearing costs have been estimated based on other rate applications.

NOTL Hydro proposes that costs directly associated with the Cost of Service application are amortized over a period of 5 years. $190,000 allocated over five years is $38,000 per year. The balance of $38,800 above includes the $800 in annual registration fees.

2.4.3.6 Low Income Energy Assistance Programs

NOTL Hydro has included $7,100 for the expense for the Low Income Assistance Program (LEAP) under Deductions Donation Expense (USoA #6205). This amount $7,267 for LEAP funding which is based on the Board's determination that the greater of 0.12% of a distributor's Board-approved distribution revenue requirement, or $2,000 should be included in the utility's costs. These funds are fully dedicated to providing financial assistance. NOTL Hydro also provides an annual payment of $1,000 to assist Reach Out Niagara to assist in covering out of pocket expenses, primarily insurance. The volunteers who operate Reach Out Niagara are not compensated.

NOTL Hydro has partnered with Reach Out Niagara in Niagara-on-the-Lake to assist in programs intended to provide emergency relief to eligible low-income customers who may be experiencing difficulty paying current arrears. Reach Out Niagara was specifically created to administer the LEAP funds as there was no agency located in Niagara-on-the-Lake who was able and willing to take on this service.

NOTL Hydro has included the projected LEAP funding of $7,267 in its 2019 Revenue Requirement.

Table 4.36: Charitable Contributions (2014-2019)

Charitable Donations

2014

Vendor	GL Number	Description	Amount
			$0.00
Total			$0.00

2015

Vendor	GL Number	Description	Amount
Reach Out Niagara	10-6205-0000-00	LEAP Administrator	$1,000.00
Reach Out Niagara	10-6205-1000-00	LEAP Administrator	$5,520.00
Reach Out Niagara	10-6205-1000-00	LEAP Administrator	$5,693.85
			$0.00
Total			$12,213.85

2016

Vendor	GL Number	Description	Amount
Reach Out Niagara	10-6205-0000-00	LEAP Administrator	$1,000.00
Reach Out Niagara	10-6205-1000-00	LEAP Administrator	$5,693.85
			$0.00
Total			$6,693.85

2017

Vendor	GL Number	Description	Amount
Reach Out Niagara	10-6205-0000-00	LEAP Administrator	$1,000.00
Reach Out Niagara	10-6205-1000-00	LEAP Administrator	$5,693.85
			$0.00
Total			$6,693.85

2018

Vendor	GL Number	Description	Amount
Reach Out Niagara	10-6205-0000-00	LEAP Administrator	$1,000.00
Reach Out Niagara	10-6205-1000-00	LEAP Administrator	$5,693.85
United Way	10-6205-2000-00	United Way Donation	$4,169.11
			$0.00
Total			$10,862.96

2019

Vendor	GL Number	Description	Amount
Reach Out Niagara	10-6205-0000-00	LEAP Administrator	$1,000.00
Reach Out Niagara	10-6205-1000-00	LEAP Administrator	$7,100.16
United Way	10-6205-2000-00	United Way Donation	$4,169.11
			$0.00
Total			$12,269.27

2.4.3.7 Charitable and Political Donations

NOTL Hydro does not contribute to political causes.

NOTL Hydro does make some charitable donations. In addition to the LEAP funding, as described in section 2.4.3.6, NOTL Hydro matches employee contributions to United Way. NOTL Hydro received an award from United Way in 2018 for it employee participation in the program. For the purposes of this application, the donations to the United Way have been removed from the OM&A in the 2019 test year.

NOTL Hydro confirms that, other than LEAP, no donation amounts have been included for recovery.

2.4.4 Depreciation, Amortization & Depletion

2.4.4.1 Depreciation Rates and Methodology

In accordance with the July 17, 2012 letter from the Board on Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies, NOTL Hydro adopted the Kinectrics proposed useful lives and componentization as of January 1, 2013. At this time the life span of the assets were adjusted to comply with the depreciation changes.

For the fiscal year 2013, NOTL Hydro completed a conversion of the company's fixed asset module which supported the revised average useful lives for all asset categories based on historical evidence and is within the typical useful life bands outlined in the Kinectrics Report "Asset Depreciation Study for the Ontario Energy Board" with exception of the categories for the PCB Shed and Remote Scada. The service lives for the PCB shed and Remote SCADA of 30 years and 10 years respectively were approved in NOTL Hydro's 2014 Cost of Service Application.

NOTL Hydro undertook a comprehensive review of assets that is summarized below and is also found in Appendix 4E - IFRS Policies.

Significant components of PP&E are separately accounted under IFRS. Each significant component and related estimated useful life are used for purposes of computing depreciation expense under IFRS.

Overhead system

Four components identified – Poles, OH Conductors/Switches, Transformers and OH Secondary Cable.

The company currently has only wood poles and has determined that there are no components of the pole that are material in dollar value or have a significantly different useful life. Therefore, the company has concluded that there is only one component comprised of the fully dressed wood pole. This component includes the standoff brackets and guy wires which are considered immaterial.

In terms of useful life, the Kinectrics report gave a range of 35-75 years, with the typical being 45 years. The company considered the following factors with respect to the useful life of the poles.

Mechanical stress and environmental factors are high and medium, respectively. The poles are not overloaded with weight, as the system has the typical length between poles. Historical experience shows the poles are being replaced between 45-50 years. The company has determined a useful life of 45 years is appropriate.

The company currently includes conductors and switches in the same GL account. It has been determined that switches do not make up a significant share of the account. Going forward, it is not expected there will be material amounts of switches added that justifies a separate component. The company also determined that they are not replacing conductors more often than switches or re-closers, which has led to the determination of a single component for these assets. The company has a regular maintenance program on the switches and as a result, failure is not typical.

In terms of useful life, the Kinectrics report gave a range of 50-75 years (typical 60 years) for OH conductors and 30-55 years (typical 45 years) for line switches. The company has determined its conductors fit the typical life span, given historical experience and pole spans being typical (which reduces strain on the conductor). Since switches were determined to be immaterial in this component, a useful life of 60 years is appropriate. Typically, switches are only replaced prior to replacing the conductor, when the switch fails. Failure is not typically seen with the exception of lightning strikes.

Overhead and underground transformers are currently grouped together. Useful lives of the two types of transformers are expected to be similar since the system is not overloaded. There are no plans to remove underground transformers from service prior to 40 years unless they are overloaded. Kinectrics useful life range is 30 to 60 years with typical of 40 years. Electrical loading and mechanical stress are low and environmental factors are considered to be normal. Kinectrics typical useful life is based upon moderate electrical loading. The company's low electrical loading would extend useful life beyond the typical range. Life should be 45 years based upon the utilization factors.

Secondary cable (Services) has been classified into two separate components (underground and overhead) due to the significantly different useful lives based on the type of wire used for each. Overhead wire is PILC (covered wire).

OH secondary cable experience tree wear from rubbing. The cable is insulated, which tends to deteriorate over time. The company's experience has shown this cable does not last longer than about 60 years. A useful life of 60 years is considered appropriate.

TS Stations

Two components identified – Transformers and Other

The company has assessed the different assets that comprise the two TS currently owned. The unique parts are power transformers, stations switch, breakers and switches, relays, bus-bars and steel structures. The company has determined the power transformers are by far the most significant component in the TS stations and should be accounted for as a separate component.

The other components are not considered material and useful lives are not significantly different to warrant any further componentization for the other assets comprising the TS station. Kinectrics life range for the transformers is 30-60 years with 45 being typical. The company does not have much experience with the life span of this component as the oldest asset is from 1985. Electrical loading and environmental factors do not differ from Kinectrics typical, which is moderate. Typical useful life of 45 years is appropriate.

The other assets component (stations switch, breakers and switches, relays, bus-bars and steel structures) have a life range of between 30 and 60 years with typical being 50 years. The station switches and breakers etc. are regularly maintained and the operational practices of the switches are low to moderate which would suggest a higher useful life than typical. 55 years is considered an appropriate life.

DS Station

The King St. DS Station is expected to be decommissioned in 2013. Based on the expected decommission, the useful life of this asset on January 1, 2013 will be one year.

Underground System

Three Components identified – Underground Cable (Primary) & Devices, Underground Conduit and Secondary Cable (Underground)

The company has determined that underground primary cable and devices represent a single component. The assets in this class have similar useful lives. The Kinectrics report gives useful life ranges of 35-55 years (typical 40 years). The company's assets in this component include both direct buried and in duct, with the majority being in-duct (direct buried has a lower life and only in one or two subdivisions). Mechanical stress, electrical loading, and environmental conditions are considered moderate in the Kinectrics report, but the company has assessed electrical loading as lower. The company has also considered historical experience for these assets. There is currently direct buried cable with a life of 30 years in operation and it is expected that these will last at least 10 more years as no major issues have been encountered at 30 years of life. Based on these factors, the company has assessed these assets with a useful life of 45 years, higher than typical based upon the low electrical loading. The company has determined that ducts, foundations, vaults and duct banks all form the Underground Conduit component. These assets have similar useful lives. The Kinectrics report gives useful life ranges from 30-85 years for these assets (typical 50-55 years). The company has assessed mechanical stress lower than Kinectrics report (assets are under grass not under roads) which leads to a longer expected life. The company has assessed 65 years as appropriate for these assets.

Secondary cable (Services) has been classified into two separate components (underground and overhead) due to the significantly different useful lives based on the type of wire used for each. Overhead wire is PILC (covered wire).

The Kinectrics report has the useful life of underground secondary cable as a range of 35-60 years (typical 40 years). The company has determined there are no factors that would suggest the useful life is any different from the underground primary cable. As such, a useful life of 45 years is appropriate.

SCADA software: Has been assessed as a single component, since radios are already included under communication equipment. The company is aware this software is updated on an irregular basis (that may exceed annual) but the original firmware may be considered to have a useful life of 8-10 years before it is completely replaced. Therefore a useful life of 10 years has been chosen for this component.

Minor assets

Office Equipment: Has been assessed as a single component as assets have similar useful lives. The current useful life is 10 years, and there are no indications this should change.

Vehicles < 3 tonnes: Single component. Policy is to replace after 5 years, therefore this is the useful life.

Vehicles > 3 tonnes: Single component. Policy is to replace after 10 years, therefore this is the useful life.

Trailers: Single component. Estimated useful life is 15 years based upon planned replacement cycle.

Administrative Buildings: Single component. Kinectrics report gives useful life of 50 – 75 years. The company's administrative building is fairly new. The building was constructed under a low budget (minimum standards) which indicates the maximum useful life is not appropriate. A useful life of 60 years has been determined.

Station Buildings: It has been determined not to separate these assets out from the TS (insignificant in relation to the equipment in the TS station)

Computer Equipment (Hardware): Single component. Policy is replacement every 3 years; therefore the useful life is 3 years.

Computer Equipment (Software): Single component. Policy is replacement every 3 years; therefore the useful life is 3 years. Technological obsolescence limits the life.

Communication Equipment: Single component that includes a computer station that works with the SCADA equipment, towers, radio and phone system. The company does not have any reason as to why this should vary from the rate it is currently being depreciated over, which is 10 years. This component is subject to technological obsolescence so anything higher than 10 years would not be appropriate.

Miscellaneous Equipment (tools and shop): Single component. Based on experience, assets in this class can last 5-10 years, but individually the assets are immaterial. As such, an average life of 8 years is considered appropriate.

Miscellaneous Equipment (stores and warehouse): Single component. The company has assessed at maximum life of 10 years based on Kinectrics report and experience with life of shelving equipment.

Meters: 4 Components were decided

1) Smart Meters: These are material and have a significantly different useful life (no history yet on how long they will last). The company discussed the need to split out into further components (data collectors). It was determined that useful life of data collectors and the meter are similar and therefore no need to break down into further components. The company does not expect useful life to exceed 10 years given problems already encountered with these meters. However, will use same rate as industry (15 years) and assess the appropriateness of this at end of each reporting period.

2) Stranded Meters: Life kept at OEB rate of 25 years.

3) Other Meters: These meters have been lasting 25 years. Technological obsolescence will limit the life of these assets to a certain extent so extending this beyond the 25 years is not appropriate.

4) CT's and PT's: These are material and have a significantly different useful life. Kinectrics report indicates a range of 35-50 years. The company has determined a 40 year life is reasonable for these assets.

Table 4.37: Service Life Comparison

Appendix 2-BB
Service Life Comparison
Table F-1 from Kinetrics Report[1]

Parent*	#	Category| Component | Type		MIN UL	TUL	MAX UL	USoA Account Number	USoA Account Description	Current Years	Current Rate	Proposed Years	Proposed Rate	Outside Range of Min, Max TUL? Below Min TUL	Outside Range of Min, Max TUL? Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall	35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
OH	8	OH Conductors		50	60	75	1835	Overhead Conductors & Devices	60	2%	60	2%	No	No
OH	8	OH Conductors		50	60	75	1855	Services-OH	60	2%	60	2%	No	No
OH	9	OH Transformers & Voltage Regulators		30	40	60	1850	Line Transformers	45	2%	45	2%	No	No
TS & MS	12	Power Transformers	Overall	30	45	60	1815	TS Equipment>50KV-Transformer	45	2%	45	2%	No	No
TS & MS	18	Station Switch		30	50	60	1815	TS Equipment>50KV-Transformer	55	2%	55	2%	No	No
UG	29	Primary TR XLPE Cables in Duct		35	40	55	1845	Underground Conductors & Devices	45	2%	45	2%	No	No
UG	32	Secondary Cables in Duct		35	40	60	1855	Services-UG	45	2%	45	2%	No	No
UG	34	Pad-Mounted Transformers		25	40	45	1850	Line Transformers	45	2%	45	2%	No	No
UG	39	Pad-Mounted Switchgear		20	30	45	1845	Underground Conductors & Devices	45	2%	45	2%	No	No
UG	40	Ducts		30	50	85	1840	Underground Conduit	65	2%	65	2%	No	No
UG	41	Concrete Encased Duct Banks		35	55	80	1840	Underground Conduit	65	2%	65	2%	No	No
S	43	Remote SCADA		15	20	30	1980	System Supervisory Equipment	10	10%	10	10%	Yes	No

Table F-2 from Kinetrics Report[1]

#	Category| Component | Type		Useful Life Range		USoA Account Number	USoA Account Description	Current Years	Current Rate	Proposed Years	Proposed Rate	Outside Range of Min, Max TUL? Below Min Range	Outside Range of Min, Max TUL? Above Max Range
1	Office Equipment		5	15	1915	Office Furniture & Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment >3 Tons	10	10%	10	10%	No	No
2	Vehicles	Trailers	5	20	1930	Transportation Equipment- Trailers	15	7%	15	7%	No	No
2	Vehicles	Vans	5	10	1930	Transportation Equipment <3 Tons	5	20%	5	20%	No	No
3	Administrative Buildings		50	75	1908	Building & Fixtures	60	2%	60	2%	No	No
					1908	Building & Fixtures-PCB Shed	30	3%	30	3%	No	Yes
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment - Hardware	3	33%	3	33%	No	No
6	Computer Equipment	Software	2	5	1925	Computer Equipment - Software	3	33%	3	33%	No	No
7	Equipment	Stores	5	10	1935	Stores Equipment	10	10%	10	10%	No	No
7	Equipment	Tools, Shop, Garage Equipment	5	10	1940	Tools, Shops Garage Equipment	8	13%	8	13%	No	No
8	Communication	Wireless	2	10	1955	Communication Equipment	10	10%	10	10%	No	No
10	Industrial/Commercial Energy Meters		25	35	1860	Meters-Non Stranded	25	4%	25	4%	No	No
12	Current & Potential Transformer (CT & PT)		35	50	1860	Meters-CT/PT	40	3%	40	3%	No	No
13	Smart Meters		5	15	1860	Meters	15	7%	15	7%	No	No
15	Data Collectors - Smart Metering		15	20	1860	Meters	15	7%	15	7%	No	No

NOTL Hydro's amortization rates are presented Appendix 2-BB and are applied on a straight-line basis utilizing the half-year rule. All assets are componentized and depreciated individually according to asset life span as per the Kinectrics Report with the exceptions noted above. NOTL Hydro will be continuing this method of depreciation in the Test Year and beyond.

Continuity Statements of the historical and forecasted depreciation expenses are presented in Appendix 2-C.

2.4.4.2 Depreciation Expense

In accordance with the Board's filing requirements, NOTL Hydro has completed the following depreciation and amortization expense tables attached as Appendix 2-C -NOTL_2019-Fiiling-Requirements-Chapter2_Appendix2C-20180718:

a) App.2-C_Dep Exp – 2014
b) App.2-C_Dep Exp – 2015
c) App.2-C_Dep Exp – 2016

d) App.2-C_Dep Exp – 2017
e) App.2-C_Dep Exp – 2018
f) App.2-C_Dep Exp - 2019

The amounts in the above appendices tie back to the accumulated depreciation balances in the fixed asset continuity schedule Appendix 2-BA.

Year	App.2-BA_Fixed Asset Cont Column J	App2-C-_DepExp Column X	Variance	Variance %
2014 - Actual	$ 1,006,611	$ 1,006,539	$ 72	0.0%
2015 - Actual	$ 1,043,515	$ 1,043,451	$ 64	0.0%
2016 - Actual	$ 1,051,852	$ 1,051,842	$ 9	0.0%
2017 - Actual	$ 1,038,029	$ 1,038,155	$ (126)	(0.0%)
2018 - Bridge Year	$ 1,069,267	$ 1,069,204	$ 63	0.0%

NOTL Hydro implemented New CGAAP amortization policies beginning January 1, 2013 and previously rebased in 2014 under the revised useful lives.

2.4.4.3 Asset Retirement Obligations

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

2.4.4.4 Half Year Rule

NOTL Hydro confirms that it has applied the half-year rule for the purposes of computing the net book value of Property, Plant and Equipment and General Plant to include in rate base. Under the half-year rule acquisitions and investments made during the year are amortized assuming they entered service at the mid-point of the year. NOTL Hydro will be continuing this method of depreciation in the Test Year and beyond.

2.4.4.5 Depreciation/Amortization Policy

A copy of NOTL Hydro's complete depreciation policy is included in Appendix 4E - IFRS Policy.

In summary all NOTL Hydro assets are depreciated on straight-line based on the service lives as set out it section 2.4.4.1 utilizing the half year rule. Depreciation of assets begins when the asset is ready for use (i.e. when it is in the location and condition necessary for it to be capable of operating the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognized.

NOTL Hydro has not changed its depreciation policy or useful asset lives since it's last cost of service filing in 2014.

2.4.4.6 Components

NOTL Hydro's depreciates significant parts or components of each item of PP&E separately in accordance with IFRS.

2.4.4.7 Regulatory Accounting Changes for Depreciation Expense

NOTL Hydro deferred the adoption of IFRS and remained under CGAAP in 2012 and made regulatory changes for depreciation expense and capitalization policies on January 1, 2013.

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

2.4.5.1 Overview of PILs

NOTL Hydro is required to make payments in lieu of income taxes ("taxes") based on its taxable income. NOTL Hydro files Federal/Provincial tax returns annually though both are submitted to the Ontario Ministry of Finance. There have been no special circumstances that would require specific tax planning measures to minimize taxes payable. There are no outstanding audits, reassessments or disputes relating the tax returns filed by NOTL Hydro.

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

Property Taxes

NOTL Hydro pays property taxes to the Town of Niagara-on-the-Lake for its office premises and other property. The table below show the actual's for 2014-2018. For the Test Year 2019 NOTL Hydro has forecasted an increase of 1.2% which is its standard inflation assumption:

Table 4.38: Property Taxes

	Board Approved	2014	2015	2016	2017	2018	2019
Property Taxes	$28,596	$29,811	$30,837	$31,773	$32,377	$34,540	$34,955
%Change (year over year)		4.2%	3.4%	3.0%	1.9%	6.7%	1.2%

The table below summarizes NOTL Hydro's taxes for the 2014-2017 Historical Years, 2018 Bridge Year and 2019 Test Year. NOTL Hydro had a loss for income tax purposes in the years 2014-2016 so no income tax expense was calculated.

Table 4.39: Tax Provision by Year

	2014		2015		2016		2017		2018		2019	
Regulatory Taxable Income	**(51,083)**		**(383,781)**		**(18,286)**		1,421,293		300,044		304,617	
Ontario Income Taxes												
Income tax p **Ontario Income Tax**	*11.50%*	**0**	*11.50%*	**0**	*11.50%*	**0**	*11.50%*	**163,449**	*11.50%*	**34,505**	*11.50%*	**35,031**
Small business credit												
Ontario Small Business Threshold	0		0		0		500,000		0		0	
Rate reduction	*(7.00%)*	0	*(7.00%)*	0	*(7.00%)*	0	*(7.00%)*	0	*(7.00%)*	0	*0.00%*	0
Ontario Income tax		**0**		**0**		**0**		**163,449**		**34,505**		**35,031**
Combined Tax Rate and PILs												
Effective Ontario Tax Rate	*0.00%*		*0.00%*		*0.00%*		*11.50%*		*11.50%*		*11.50%*	
Federal tax rate	*0.00%*		*0.00%*		*0.00%*		*15.00%*		*15.00%*		*15.00%*	
Combined tax rate	*0.00%*		*0.00%*		*0.00%*		*26.50%*		*26.50%*		*26.50%*	
Total Income Taxes		**0**		**0**		**0**		**376,643**		**79,512**		**80,723**
Investment Tax Credits		0		0		0		2,000		0		0
Miscellaneous Tax Credits												
Total Tax Credits		0		0		0		2,000		0		0
Corporate PILs/Income Tax Provision		**0**		**0**		**0**		**374,643**		**79,512**		**80,723**
Corporate PILs/Income Tax Provision Gross Up	*100.00%*	0	*100.00%*	0	*100.00%*	0	*73.50%*	135,075	*73.50%*	28,668	*73.50%*	29,104
Income Tax (grossed-up)		**0**		**0**		**0**		**509,718**		**108,179**		**109,828**

The table on the next page provides the calculation of income for regulatory taxation purposes.

Table 4.40: Taxable Regulatory Income by Year

	T2 S1 line #	2014 Utility Only	2015 Utility Only	2016 Utility Only	2017 Utility Only	2018 Taxable Income	2019 Taxable Income
Income/(Loss) before PILs/Taxes (Accounting) ¹		1,121,147.00	111,165.00	1,337,690.00	1,644,113.00	1,034,431.57	1,105,128.39
Additions:							
Interest and penalties on taxes	103	1,271.00	-	-	-	-	-
Amortization of tangible assets	104	912,849.00	1,021,974.00	1,095,472.00	1,103,773.00	1,158,737.62	1,271,114.36
Loss on disposal of assets	111	46,404.00	12,958.00	8,590.00	23,657.00	-	-
Charitable donations	112	-	400.00	-	-	-	-
Non-deductible meals and entertainment expense	121	-	-	1,343.00	1,789.00	1,789.00	1,789.00
Reserves from financial statements- balance at end of year (employee future benefits and allowance for doubtful accounts)	126	469,548.00	361,122.00	425,135.00	574,218.00	601,740.00	630,204.00
Other Additions:		-	-	-	-		
Interest Expensed on Capital Leases	290	340,997.00	245,827.00	-	-		
Realized Income from Deferred Credit Accounts	291	-	89,817.00	-	-		
Pensions	292	-	1,181,992.00	-	-		
Non-deductible penalties	293	6,488.00	610,722.00	-	-		
Coop Tax Credit on 550	294	93,017.00	-	-	-		
OITC/ORDTC/BCRDT/ABRDTC from previous years	295	-	-	-	-		
Inducement under 12(1)(x) ITA (apprentice tax credit)					9,973.00	-	-
Customer Deposits (2335)					377,590.00	377,590.00	377,590.00
Tax included in net movement in reg balances					-		
Capital Contibutions Received (2440)					319,954.00	1,983,945.15	787,136.00
Regulatory Adjustment					769,773.00	-	-
					-		
					-		
Miscellaneous other additions	296	-	-	1,860,528.00	1,477,290.00	2,361,535.15	1,164,726.00
Total Additions		1,899,415.00	3,524,812.00	3,391,068.00	3,180,727.00	4,125,801.78	3,067,833.36
Deductions:							
Gain on disposal of assets per financial statements	401	-	-	-	-		
Dividends not taxable under section 83	402	-	-	-	-		
Capital cost allowance from Schedule 8	403	1,711,670.00	1,745,293.00	1,792,904.00	1,806,061.00	1,834,965.45	1,978,057.15
Terminal loss from Schedule 8	404	-	-	-	-		
Cumulative eligible capital deduction from Schedule 10 CEC (2017 included in UCC)	405	688.00	640.00	595.00	-	-	-
Reserves from financial statements - balance at beginning of year	414	473,290.00	469,548.00	361,122.00	425,135.00	574,218.00	601,740.00
Interest capitalized for accounting deducted for tax	390	45,452.00	36,133.00	-	-		
Capital Lease Payments	391	340,997.00	245,827.00	-	-		
Non-taxable imputed interest income on deferral and variance accounts	392	-	20,539.00	-	-		
	393	499,548.00	901,056.00	-	-		
	394	-	600,722.00	-	-		
Unrealized gain on deriviatives (4340)				65,352.00	46,137.00	-	-
Customer deposits				236,840.00	377,590.00	377,590.00	377,590.00
Amortization of deferred capital contributions				44,491.00	65,652.00	89,470.28	123,821.84
Capital contributions received				1,603,277.00	319,954.00	1,983,945.15	787,136.00
Adjustment for regulatory assets				642,463.00	-	-	-
Tax inlcuded in regulatory balances				-	323,875.00		
Tax on EFB				-	38,743.00		
				-	-		
Miscellaneous other deductions	396	-	-	2,592,423.00	1,171,951.00	2,451,005.44	1,288,547.84
ITA 13(7.4) Election - Capital Contributions Received		-	-	-	-		
Total Deductions		3,071,645.00	4,019,758.00	4,747,044.00	3,403,147.00	4,860,188.88	3,868,344.99
NET INCOME (LOSS) FOR TAX PURPOSES		- 51,083.00	- 383,781.00	- 18,286.00	1,421,693.00	300,044.46	304,616.75
Charitable donations from Schedule 2	311			-	400.00		
TAXABLE INCOME (LOSS)		- 51,083.00	- 383,781.00	- 18,286.00	1,421,293.00	300,044.46	304,616.75

2.4.5.2 Latest Filed Tax Return, Tax Assessments and Correspondence

NOTL Hydro's latest tax return is included in the Appendix.

2.4.5.3 Calculation of Tax Credits

NOTL Hydro is not claiming an Apprenticeship Training Tax Credit in the 2019 Test Year.

2.4.5.4 Other Additions and Deductions

- 2017 Historic Year - Other Additions
    - $9,973 – Inducement under 12(1)(x): Relates to the income inclusion under 12(1)(x) of the ITA for the prior year Ontario Apprenticeship Training Tax Credits.
    - $377,590 – Customer Deposits 12(1)(a): Relates to the income inclusion under 12(1)(a) of the ITA for customer deposits received in the year. An allowable reserve under 20(1)(m) of the ITA is taken on the customer deposits.
    - $319,954 – Capital Contributions Received 12(1)(x): Relates to the income inclusion under 12(1)(x) of the ITA for capital contributions received in the year. A deduction and election under 13(7.4) of the ITA is taken to apply the capital contributions to the capital cost of the property on Schedule 8 (i.e. reduces the capital cost of the property).
    - $769,773 – Regulatory Adjustment: Relates to the regulatory balances included in the P&L, excluding taxes.
- 2017 Historic Year - Other Deductions
    - $46,137 Unrealized Gain on Derivatives: Relates to the unrealized gain on interest rate swaps.
    - $377,590 – Customer Deposits 20(1)(m): Relates to an allowable reserve under 20(1)(m) ITA for the income inclusion under 12(1)(a) of the ITA.
    - $65,562 – Amortization of Deferred Capital Contributions: Relates to the amortization of deferred capital contributions in the P&L in the year. The capital contributions were previously applied to reduce the capital cost of the additions under 13(7.4) of the ITA.
    - $319,954 – Capital Contributions Received 13(7.4): A deduction and election under 13(7.4) is taken to apply the capital contributions to the capital cost of the property on Schedule 8 (i.e. reduces the capital cost of the property).
    - $323,875 – Tax included in Net Movements in Regulatory Balances: Relates to an adjustment to reverse the tax included in the regulatory balances. A separate adjustment is required as the tax was not reversed on line 101 or 102 of Schedule 1.

- $38,743 – Tax in EFBs: Relates to an adjustment to reverse the tax included in the EFB's. A separate adjustment is required as the tax was not reversed on line 101 or 102 of Schedule 1.

- 2018 Bridge Year - Other Additions
  - $2,000 - 12(1)(x) related to the apprentice claim in 2017.
  - $377,590 – Customer Deposits 12(1)(a): Relates to the income inclusion under 12(1)(a) of the ITA for customer deposits received in the year. An allowable reserve under 20(1)(m) of the ITA is taken on the customer deposits. NOTL Hydro does not anticipate and significant changes in Customer Deposits and therefore the historical year amount was used.
  - $1,983,945 – Capital Contributions Received 12(1)(x): Relates to the income inclusion under 12(1)(x) of the ITA for capital contributions received in the year. A deduction and election under 13(7.4) of the ITA is taken to apply the capital contributions to the capital cost of the property on Schedule 8 (i.e. reduces the capital cost of the property). Amounts are consistent with the Capital Contributions as presented in Chapter 2 Appendix 2-BA for 2018.
- 2018 Bridge Year - Other Deductions
  - $377,590 – Customer Deposits 20(1)(m): Relates to an allowable reserve under 20(1)(m) ITA for the income inclusion under 12(1)(a) of the ITA. NOTL Hydro does not anticipate and significant changes in Customer Deposits and therefore the historical year amount was used.
  - $89,470 – Amortization of Deferred Capital Contributions: Relates to the amortization of deferred capital contributions in the P&L in the year. The capital contributions were previously applied to reduce the capital cost of the additions under 13(7.4) of the ITA). Amounts are consistent with the amortization of Capital Contributions as presented in Chapter 2 Appendix 2-BA for 2018.
  - $1,983,945 – Capital Contributions Received 13(7.4): A deduction and election under 13(7.4) is taken to apply the capital contributions to the capital cost of the property on Schedule 8 (i.e. reduces the capital cost of the property). Amounts are consistent with the Capital Contributions as presented in Chapter 2 Appendix 2-BA for 2018.

- 2019 Test Year - Other Additions
    - $377,590 – Customer Deposits 12(1)(a): Relates to the income inclusion under 12(1)(a) of the ITA for customer deposits received in the year. An allowable reserve under 20(1)(m) of the ITA is taken on the customer deposits. NOTL Hydro does not anticipate and significant changes in Customer Deposits and therefore the historical year amount was used.
    - $787,136 – Capital Contributions Received 12(1)(x): Relates to the income inclusion under 12(1)(x) of the ITA for capital contributions received in the year. A deduction and election under 13(7.4) of the ITA is taken to apply the capital contributions to the capital cost of the property on Schedule 8 (i.e. reduces the capital cost of the property). Amounts are consistent with the Capital Contributions as presented in Chapter 2 Appendix 2-BA for 2019.
- 2019 Bridge Year - Other Deductions
    - $377,590 – Customer Deposits 20(1)(m): Relates to an allowable reserve under 20(1)(m) ITA for the income inclusion under 12(1)(a) of the ITA. NOTL Hydro does not anticipate and significant changes in Customer Deposits and therefore the historical year amount was used.
    - $123,822 – Amortization of Deferred Capital Contributions: Relates to the amortization of deferred capital contributions in the P&L in the year. The capital contributions were previously applied to reduce the capital cost of the additions under 13(7.4) of the ITA). Amounts are consistent with the amortization of Capital Contributions as presented in Chapter 2 Appendix 2-BA for 2019.
    - $787,136 – Capital Contributions Received 13(7.4): A deduction and election under 13(7.4) is taken to apply the capital contributions to the capital cost of the property on Schedule 8 (i.e. reduces the capital cost of the property). Amounts are consistent with the Capital Contributions as presented in Chapter 2 Appendix 2-BA for 2019.

2.4.5.5 Non-recoverable and Disallowed Expenses (OEB Ref 2.4.5.1)

NOTL Hydro confirms that expenses that are deemed non-recoverable in the revenue requirement (e.g. certain charitable donations) or disallowed for regulatory purposes have been excluded from the regulatory tax calculation. There are no reconciling items to arrive at Regulatory Taxable Income form Net Income for Tax Purposes in the Test year.

2.4.5.6 Integrity Checklist

NOTL Hydro has had the PILS model reviewed by its external auditors, KPMG. The utility affirms that the integrity checks in tab S1 of the PILS model have been completed.

Table 4.41: Integrity Checks – 2019 PILS Model

Income Tax/PILs Workform for 2019 Filers

Integrity Checks

The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application	Y	
2	The capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non- distribution tax amounts on Schedule 8.	Y	
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the UCC schedules for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application	Y	
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Y	
7	CCA is maximized even if there are tax loss carry-forwards	Y	
8	Accounting OPEB and pension amounts added back on Schedule 1 to reconcile accounting income to net income for tax purposes, must agree with the OM&A analysis for compensation. The amounts deducted must be reasonable when compared with the notes in the audited financial statements, FSCO reports, and the actuarial valuations.	Y	
9	The income tax rate used to calculate the tax expense must be consistent with the utility's actual tax facts and evidence filed in the application.	Y	

2.4.6 Conservation and Demand Side Management

2.4.6.1 Overview of CDM

The 2015-2020 Energy Conservation Agreement was signed with an effective date of December 10, 2014. NOTL Hydro received first iteration CDM Plan approval from the IESO on June 16, 2015 with the Conservation First launch planned for January 1, 2016. Costs associated with CDM initiatives are paid through the PAB budget provided by the IESO.

NOTL Hydro does not apply any OM&A costs related to the administration and delivery of CDM programs to be recovered through the revenue requirement.

NOTL Hydro has a target of 11.68 GWh for the 2015-2020 Conservation First Initiative. As of December 31, 2017, NOTL Hydro had achieved 10.50 GWh or 90% of its target. The 90% achievement was ranked 12th best in the province.

2.4.6.2 Lost Revenue Adjustment Mechanism (OEB Ref 2.4.6.1)

NOTL Hydro last applied for an LRAM adjustment in 2016 (EB-2016-0095) which cleared the balances up to 2015.

2.4.6.3 Disposition of the LRAMVA

The table below illustrates the balances recorded in NOTL Hydro's LRAMVA account by rate class for the program period 2011 to 2017:

Table 4.42: Summary of Requested LRAMVA Amounts

Description	LRAMVA Previously Claimed	Residential	GS<50 kW	Street Lighting	Unmetered Scattered Load	General Service 50 - 4,999 kW	Total
		kWh	kWh	kW	kWh	kW	
2011 Actuals	☐	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2011 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2012 Actuals	☐	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2012 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2013 Actuals	☐	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2013 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2014 Actuals	☐	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2014 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2015 Actuals	☐	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2015 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2016 Actuals	☐	$22,353.60	$30,305.37	$31,223.24	$0.00	$24,738.05	$108,620.26
2016 Forecast		($4,979.74)	($14,033.57)	$0.00	$0.00	($2,379.45)	($21,392.76)
Amount Cleared							
2017 Actuals		$25,384.05	$36,341.80	$31,743.35	$0.00	$35,082.11	$128,551.31
2017 Forecast		($3,550.37)	($14,279.77)	$0.00	$0.00	($2,419.08)	($20,249.23)
Amount Cleared							
2018 Actuals		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2018 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2019 Actuals		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2019 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
2020 Actuals		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2020 Forecast		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Amount Cleared							
Carrying Charges		$1,374.16	$1,335.55	$2,243.95	$0.00	$1,905.82	$6,859.48
Total LRAMVA Balance		**$40,582**	**$39,669**	**$65,211**	**$0**	**$56,927**	**$202,389**

In reviewing the above table, it should be noted that:

- NOTL Hydro is only claiming LRAMVA disposition for 2016 and 2017.
- The LRAMVA is based on results from the IESO's "2017 Final Verified Annual LDC CDM Program Results for Niagara-on-the-Lake Hydro Inc." report issued on June 29, 2018.
- Forecast CDM savings with respect to the 2016 and 2017 LRAMVA are as follows:

Table 4.43: Forecast CDM Savings for 2016 and 2017 (kWh)

	Residential	GS< 50 kW	Streetlighting	USL	GS>50 kW	Total
Actual 2016	1,109,104	690,381	117	-	4,208	1,803,810
Actual 2017	1,274,055	817,770	-	-	4,548	2,096,373
Forecast 2017	461,087	1,231,015	-	-	1,104	1,693,206

- There were no projects in the calculations not included in the IESO report.
- Rate class allocations were determined on a program by program basis.

Table 4.44: LRAMVA Balance for Disposition

Account Name	Account Number	Actual CDM Savings ($)	Forecasted CDM Savings ($)	Carrying Charges ($)	Total Claim
LRAMVA	1568	$237,172	-$41,642	$6,859	$202,389

A copy of the IESO's "2017 Final Verified Annual LDC CDM Program Results for Niagara-on-the-Lake Hydro Inc." report issued on June 29, 2018, containing the actuals for NOTL Hydro for the end of 2017 is included in the Appendix.

Appendix

List of Appendices

Appendix 4A	Collective Agreements
Appendix 4B	Tax Return Exempt Client
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APPENDIX

4A

2019

NIAGARA-ON-THE-LAKE HYDRO

COST OF SERVICE RATE APPLICATION

EB-2018-0056

COLLECTIVE AGREEMENT

between

NIAGARA-ON-THE-LAKE HYDRO INC.

and

LOCAL UNION NO. 636

of the

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

May 1, 2016 to April 30, 2020

(Line/Engineering Staff)

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COLLECTIVE AGREEMENT
between

NIAGARA-ON-THE-LAKE HYDRO INC.
(Hereinafter called the "Corporation")
and

LOCAL UNION NO. 636
of the
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
(Hereinafter called the "Union")

ARTICLE 1 - RECOGNITION

1.1 Corporation hereby recognizes the Union as the sole collective bargaining agent for all employees of Niagara-on-the-Lake Hydro Inc. at Niagara-on-the-Lake, Ontario save and except foremen, all persons above the rank of foreman, all office employees, persons regularly employed for not more than twenty-four (24) hours per week, students employed during the school vacation period, students employed on a cooperative training program and individuals hired on a government-sponsored program.

ARTICLE 2 - UNION SECURITY AND CHECK-OFF

2.1 All employees covered under Article 1 of this agreement who are members of the Union shall remain members of the Union and all new employees shall become and remain members of the Union after thirty (30) calendar days of employment.

2.2 All employees in the bargaining unit shall be required to sign an authorization assigning to the union an amount equivalent to regular monthly dues and the Corporation shall deduct such amounts from the weekly wages of employees and to remit the dues to the financial secretary of Local 636 by the 15th of the month following the month in which the deductions were made with a list of the names of the employees from whose pay such deductions have been made. The Corporation will provide the minimum information to calculate union dues when requested. The Corporation will also deduct a one-time union initiation fee in addition to the weekly dues as described by the union. The dues to be included on the T4 slip

2.3 It is understood and agreed that the Union will save the Corporation harmless from any and all claims which may be made against it by an employee or employees for amounts deducted from earnings as herein provided.

2.4 A Union Negotiating Committee shall consist of a maximum of two (2) members plus the Union Business Manager or designate for the purpose of Collective Bargaining. Members so appointed, excluding the Union Business Manager or designate must be employees of the Corporation covered by this Collective Agreement and have completed the probation period as set out in Article 5.

2.5 Both the Corporation and the Union recognize their respective responsibilities under the Human Rights Code and any other statutory requirements.

ARTICLE 3 - MANAGEMENT RIGHTS

3.1 The Union acknowledges and agrees that the Corporation has the exclusive right to manage its business, and without limiting the generality of the foregoing, to direct the working force, to hire, promote, transfer, demote or lay off employees, discharge, or otherwise discipline employees, for just cause, and to make, amend and enforce such rules and regulations as shall from time to time be required, provided that they are not inconsistent with the provisions of this agreement.

3.2 All functions and prerogatives heretofore vested in and exercised by the Corporation shall remain solely with the Corporation except as specifically limited by the express provision of this agreement.

ARTICLE 4 - CORPORATION SERVICE CREDIT

Definition

4.1 The length of continuous service a regular employee has established with the Corporation from the most recent date the employee entered the employ of the Corporation.

4.2 The Corporation shall maintain a seniority list showing the date upon which each employee's Corporation service commenced. An up-to-date seniority and classification list shall be sent to the Union and posted on all bulletin boards in January of each year.

4.3 A regular employee shall lose seniority rights and have his name removed from the employment records if he:

(I) retires;

(II) resigns;

(III) is discharged for just cause and not reinstated through the grievance/arbitration procedure;

(IV) is absent from work for three (3) working days without notification to the employer, unless a satisfactory explanation is provided for this absence;

(V) fails to report to work within ten (10) working days following recall after a lay off unless a satisfactory explanation is provided for this failure;

(VI) is absent from work because of lay off or leave of absence for a period greater than one (1) year;

(VII) fails to return to work within twenty-four (24) months as a result of a non-occupational illness or injury.

(VIII) fails to return to work within twenty-four (24) months as a result of an occupational illness or injury.

ARTICLE 5 - EMPLOYEE CATEGORIES

5.1 **Temporary employees** are those hired for a period of not more than six (6) consecutive months or for a specific task or twelve (12) consecutive months to cover off maternity/parental leave requirements under the Employment Standards Act. They shall not accumulate Corporation Service Credit nor shall they be entitled to any of the rights or privileges accruing to regular or probationary employees, nor shall they have recourse to the grievance and arbitration procedures.

5.2 **Probationary employees** are those who are hired on trial basis to determine their suitability for employment in regular positions. An employee shall be considered probationary for a period of six (6) months worked, at the discretion of Management.

5.3 Where it is mutually agreed that the ability to assess an employee is affected by periods of non-working time such as sickness, leaves of absence, etc., the probationary period may be extended in direct proportion to the periods of lost time after consultation with the Union.

5.4 During this period of probation, he shall be entitled to all the rights and privileges set out in the collective agreement, except that he shall not have recourse to the grievance and arbitration procedure on termination.

5.5 **Regular employees** are persons who have satisfactorily served a probationary period and are currently in the employ of the Corporation.

5.6 The term "employee" when used in this agreement shall mean "regular employee" unless specifically stated otherwise.

5.7 **Government Sponsored Program Employees**

Employees who may be hired under the provision of Article 1, Cooperative Training Program and Government Sponsored Program shall not be employees to replace regular employees.

5.8 **Singular or Masculine**

Whenever the singular or masculine is used in the agreement, it shall be used as if plural or feminine has been used where the context of the agreement so indicates.

ARTICLE 6 - LOCKOUTS AND STRIKES

6.1 There shall be no "lockout" by the Corporation and no interruption, work stoppage or "strike" during the term of this agreement. The terms "strike" and "lockout" shall be interpreted in accordance with the definitions as set out in the Labour Relations Act.

ARTICLE 7 - GRIEVANCE PROCEDURE

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

7.2 Complaints and grievances shall be dealt with in the following manner and all grievances must be in writing and filed within fourteen (14) calendar days of the circumstances giving rise to the grievance.

7.3 **Step 1**

The employee, accompanied by a steward if the employee wishes, may take the matter up with the appropriate department head who will give his reply in writing within three (3) working days. Failing settlement of this stage, the employee may immediately proceed to Step 2, within three (3) working days.

7.4 **Step 2**

The employee, accompanied by a steward and/or a representative of the Union, may take the matter up with the general manager or designate who will reply in writing within five (5) working days. Failing settlement of this stage, the matter may then be referred to Article 8 of this agreement within twenty (20) working days.

7.5 Where a dispute involving a question of general application or interpretation occurs or where a group of employees or the Union has a grievance, Step 1 of this Article may be bypassed and such grievance submitted at Step 2 within five (5) working days of the occurrence of the event giving rise to the grievance.

7.6 A claim by an employee that he has been suspended or discharged without just cause shall be treated as a grievance if a written statement of such grievance is lodged with the general manager at Step 2 within five (5) working days after notice by management to the Union Steward of the suspension or discharge.

7.7 The time limits provided in this article may be extended by mutual written agreement between the parties concerned.

7.8 Notwithstanding the above, the parties may reach settlement to a grievance through the services of a Grievance Settlement Officer or other mutually agreeable third party facilitator. The parties shall jointly bear the expense of the Grievance Settlement Officer or other agreed-upon third party.

ARTICLE 8 - ARBITRATION PROCEDURE

8.1 Where a difference arises between the parties relating to the interpretation, application or administration of this agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration. The parties to this agreement may request the Ontario Minister of Labour to appoint a single arbitrator in accordance with the provisions of the Labour Relations Act (Ontario) or the parties may otherwise agree to the appointment of a sole arbitrator.

8.2 The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee or employer affected by it.

8.3 The arbitrator shall not make any decision inconsistent with the provisions of this agreement, nor alter, modify or amend any part of this agreement, but shall only consider the question in dispute.

8.4 No matter shall be submitted to arbitration, which has not been properly lodged and carried through all previous steps of the Grievance Procedure.

8.5 The proceedings of the arbitrator will be expedited by the parties hereto, and the decision of the arbitrator shall be final and binding upon all parties concerned.

8.6 The expense of the arbitrator together with any incidental or general expense connected with the arbitration proceedings shall be divided equally between the parties hereto.

ARTICLE 9 - HOURS OF WORK AND OVERTIME

9.1 This section provides the basis for establishing work schedules and for the calculation and payment of overtime, but shall not be read or construed as a guarantee of hours of work per day or week or a guarantee of days of work per week.

Hours of Work

9.2 The normal work week of employees shall be forty (40) hours of work per week consisting of five (5) days of eight (8) hours each from Monday to Friday inclusive between the hours of 0800 and 1630 with one-half (½) hour lunch period.

Overtime

9.3 Due to the nature of its operations the Corporation may require employees to work at other than their normal hours and in addition to their normal hours beyond the limits as described above. An employee shall be paid for overtime at the rate of two (2) times his regular hourly rate for all work performed from normal quitting time until normal starting time and on Saturday, Sunday and Recognized Holidays.

9.4 An employee who is required to work for more than sixteen (16) hours or an employee who accumulates sixteen (16) hours of working time in any twenty-four (24) hour period shall be entitled to an eight (8) hour rest period.

9.5 An employee will qualify for 4 hours of rest time to commence at the start of the next regular shift should he/she work more than three (3) consecutive hours during the period between midnight and the next regular shift and 8 hours rest time to commence at the start of the next regular shift should he/she work five (5) or more consecutive hours between midnight and the next regular shift. All rest time will be paid at straight time pay.

9.6 Should the employee be required to continue working beyond the sixteen (16) hour period, the employee shall be paid 2 times his regular hourly rate until an eight (8) hour rest period is granted.

9.7 All employees will be permitted to bank lieu time hours of overtime. The amount added into the bank is not to exceed eighty (80) hours during the calendar year. The employee will have the opportunity to carry-over up to one (1) week of lieu time provided the combination of lieu time and vacation time carryover does not exceed a total of two (2) weeks. All other lieu time will be cashed out. If lieu time is cashed out throughout the year, it may not be replenished. Employees will give two weeks' notice if they wish to cash out any portion of their lieu time throughout the year.

ARTICLE 10 - ON-CALL AND MINIMUM CALL-OUT

Outage Calls

10.1 On-call duty for outage calls is defined as that duty performed by qualified employees who are required by the Corporation to be readily available within thirty-five (35) minutes (by means of normal driving conditions) of the service territory for emergency service at other than normal working hours.

10.2 Qualified employees will be required to perform on-call duty on a weekly basis in accordance with a list posted by Management. The employee on-call duty is required to hold himself readily available outside of normal hours of work for dispatch on calls.

10.3 The employee designated for on-call duty for outage calls will be paid an additional $275.00 per week for such duty effective May 1, 2016; $280.00 per week for such duty effective May 1, 2017; $285.00 per week for such duty effective May 1, 2018 and $290.00 per week for such duty effective May 1, 2019. An additional $85.00 will be paid for statutory holidays effective May 1, 2016; $90.00 effective May 1, 2017; $95.00 effective May 1, 2018 and $100.00 effective May 1, 2019. Should an employee be called out on a statutory holiday, he will have the option to bank 8 hours in lieu of their $85 year 1, $90 year 2, $95 year 3 and $100 year 4, provided that they have enough room in their lieu time bank per article 9.7.

In the event that the employee does not get called out on a statutory holiday, he will have the option to bank 4 hours of lieu time (subject to not exceeding their allowance per article 9.7) or receive the regular stat allowance.

10.4 The on-call week shall be from normal quitting time Thursday, to normal quitting time the following Thursday.

10.5 The Corporation will supply and pay for paging devices.

Minimum Call-Out

10.12 When an employee is called in for emergency overtime work outside of his normal working hours, he shall be provided with a minimum payment of two (2) hours' pay at the appropriate premium rate. Calls received within 15 minutes of the completion of the shift will be counted as continuous overtime and a minimum call-out will not apply.

10.13 When an employee has completed his call-out he will be allowed to return home, provided he has checked to ensure that additional calls have not been received. All calls received within two (2) hours of the first call shall be considered the same call.

10.14 There shall be no minimum payment applicable to call-outs or overtime worked contiguous to an employee's normal daily working hours. Calls received less than one hour before normal starting time do not qualify for minimum call out. Overtime rate for time worked will apply.

ARTICLE 11 - RECOGNIZED HOLIDAYS

11.1 Each employee shall be entitled to the following paid holidays:

New Year's Day	Civic Holiday
Good Friday	Labour Day
Victoria Day	Thanksgiving Day
Canada Day	One-half Day Before Christmas
Boxing Day	One-half Day Before New Year's Day
Christmas Day	Family Day

and all additional holidays proclaimed by federal and provincial governments.

11.2 Two (2) additional floater holidays at a time most desired by the employee, providing this does not impede the efficient operation of the Corporation's business.

11.3 Payments for the above-named recognized holidays will be made provided the employee works the regularly assigned day immediately preceding and succeeding the day of observance of the holiday or, unless on an authorized short term leave of absence (three (3) weeks or less), vacation or sick leave.

11.4 In the event of any of the above-named holidays falling on a Saturday and/or Sunday and not proclaimed as being observed on some other day, the preceding Friday or the following Monday as determined by the Corporation shall be deemed to be holidays for the purpose of this agreement unless otherwise agreed to by the parties.

ARTICLE 12 - VACATIONS

12.1 Vacations will, as far as it is practicable, be granted at the times most desired by the employees, providing this does not impede the efficient operation of the Corporation's business.

12.2 An employee must notify Management of his preferred vacation period by April 1 in any given year. However, Management shall retain the authority to designate vacation periods for all employees in a manner consistent with the efficient operation of the Corporation. Vacations are not cumulative and shall be taken during each calendar year unless approved by Management. Such approval must be requested by the employee, in writing, by November 31st and must be specific in the vacation request for the following year. If such application is received by November 31st, Management will reply within 10 working days. A maximum of two weeks carry-over to the following year will be allowed but must be taken before November 31st in the carry-over year.

12.3 Probationary and temporary employees shall be granted vacation entitlement as provided by the Employment Standards Act.

12.4 An employee with less than one (1) year continuous service shall be entitled to four (4) percent of gross wages at December 31, or the equivalent time off with pay.

12.5 An employee with one (1) year or more of continuous service completed during the calendar year ended December 31 will be entitled to two (2) weeks' vacation with pay at the employee's regular hourly rate based on the employee's normal work week.

12.6 An employee with three (3) years or more of continuous service completed during the calendar year ended December 31 will be entitled to three (3) weeks' vacation with pay at employee's regular hourly rate based on the employee's normal work week.

12.7 An employee with nine (9) years or more of continuous service completed during the calendar year ending December 31 will be entitled to four (4) weeks' vacation with pay at employee's regular hourly rate based on the employee's normal work week.

12.8 An employee with seventeen (17) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) weeks' vacation with pay at employee's regular hourly rate based on the employee's normal work week.

12.9 An employee with twenty-two (22) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and one (1) day with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-three (23) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and two (2) days with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-four (24) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and three (3) days with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-five (25) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and four (4) days with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-six (26) years or more of continuous service completed during the calendar year ending December 31 will be entitled to six (6) weeks' vacation with pay at employee's regular hourly rate based on the employee's normal work week.

12.10 An employee shall not be granted more than two (2) weeks' vacation during the period of July 1 to September 30 except with permission of the Management.

12.11 Vacation pay shall be based on the employee's regular hourly rate.

12.12 To be entitled to vacation pay, an employee must work forty (40) of the weeks in the year ending December 31. If an employee works fewer than forty (40) weeks his vacation shall be reduced on a pro-rata basis for each week less than the forty (40) weeks, which he does not work. Maternity leave, W.S.I.B. and Jury duty are excluded.

ARTICLE 13 - SICK LEAVE PLAN

13.1 The Sick Leave Plan as specified in detail in Schedule "B" is attached to and forms part of this agreement.

ARTICLE 14 - HEALTH PLAN

14.1 The Corporation agrees to pay for employees in receipt of regular hourly rate, one hundred percent (100%) of the premiums for the following Health Plans or equivalent:

- ClaimSecure Extended Health Plan $10/$20 deductible;
    - Includes Chiropractic at $1000/year maximum (all dependents combined)
    - Includes Massage therapy to $1000/year maximum (all dependents combined)
    - Includes Physiotherapy to $1,000/year maximum (all dependents combined)
    - Includes Semi-private coverage (if available)
    - Includes Drug dispensing cap of $12.50 effective May 1, 2016; $13.00 effective May 1, 2017; $13.50 effective May 1, 2018 and $14.00 effective May 1, 2019. Employees agree to accept 'Generic Drugs' first and 'Formulary Plan' with Doctor Override
- Basic Dental Plan (ClaimSecure Level 1 & 2) ($2,250 per person, per year maximum), Crown & Bridgework and Orthodontics coverage (ClaimSecure Level 3 & 4)(50/50 co-pay, $2,400.00 per person, per year maximum -- Orthodontic coverage to terminate at age 19). Dental recall for adults shall be every nine (9) months and for children under the age of eighteen (18) it shall be every six (6) months
- ClaimSecure Vision Plan providing a maximum benefit coverage of $450.00 every 24 months effective May 1, 2016. Eye examinations $90/two years; Vision coverage can be used towards Corrective Laser Eye Surgery.
- ClaimSecure Out-of-Province/Country maximum of 60 days/trip coverage.
- Long Term Disability Plan providing 70% income benefit to a maximum of $3,600 per month with an eighty-five (85) working-days waiting period.

14.2 The Corporation agrees to pay for employees in receipt of normal base wages one hundred percent (100%) of the premium for a Basic and Comprehensive basic Dental Service or equivalent with current O.D.A. Fee Schedule.

14.3 If there is a change in carriers, the Union must be notified immediately. The plan must be of equal or better value.

ARTICLE 15 - PENSION AND INSURANCE

15.1 All eligible employees with the Corporation shall participate in the Corporation's Pension and Insurance Plans as follows:

- Ontario Municipal Employees Retirement System Basic FAE (Final Average Earnings) on a equally shared basis with the Corporation.
- The Corporation and the employees shall participate in the Canada Pension Plan as required by the Canada Pension Act.
- The Corporation shall provide Life Insurance coverage for all regular employees in receipt of normal base wages, equivalent to current coverage of one and one-half (1½) times the employee's normal base wages.

15.2 The Corporation agrees to pay fifty percent (50%) of the premiums for Dental and Extended Health including Vision Care for all employees who retire early between the ages of 55 to 65.

ARTICLE 16 - JOB POSTING AND SELECTION

16.1 When vacancies occur within the bargaining unit, or new jobs are created within the bargaining unit, these positions shall be posted on the bulletin board, accessible to all employees, for a period of five (5) working days, during which time present employees shall have the opportunity of applying before outsiders are considered. During the posting period, the Corporation may fill a vacancy on a temporary basis. The experience gained while filling this temporary vacancy will not be used as determining factor in the job selection process.

16.2 Such notice shall contain the following information: nature of the position, qualifications, knowledge, experience, skills, and wage rates.

16.3 In filling vacancies and making transfers or promotions among employees represented by the Union, the Management will consider the qualifications and ability as the primary factors. In the event qualifications and ability of the respective applicants are relatively equal in Management's opinion, Corporation service shall govern.

16.4 Promotion shall mean advancement to a job which carries a higher rate of pay.

ARTICLE 17 - LAY OFF AND RECALL

17.1 In the event of a lay-off, Management agrees that employees shall be laid off in the reverse order of their Corporation service credit provided Management can retain a work force qualified in its opinion to perform the work remaining. Employees shall be recalled in the order of their Corporation service credit provided they are qualified, capable and have the ability to do the work available.

17.2 It shall be the responsibility of the employee to keep Management informed, in writing, of change in his postal address and telephone number.

17.3 It is understood that in exercising his accrued rights in accordance with the above, advancement to a job, which carries a higher rate of pay, is not permitted.

ARTICLE 18 - LEAVE OF ABSENCE FROM WORK

Bereavement

18.1 An employee will be allowed up to five (5) working days' leave of absence with pay in the event of the death of his spouse, child, mother or father. Such leave shall be for the purpose of making arrangements and/or attending the funeral.

18.2 An employee will be allowed up to three (3) consecutive days' leave of absence with pay in the event of the death of his brother, step-brother, sister, step-sister, grandparent, grandchild, father-in-law or mother-in-law, step-parent, or step child. Such leave shall be for the purpose of making arrangements for and/or attending the funeral. Only that portion of the said three (3) days that would otherwise have been regular time worked will be paid.

18.3 An employee will be allowed one (1) day leave of absence with pay in the event of the death of any current staff member, brother-in-law, sister-in-law, step parent-in-law, aunt, uncle, niece, nephew or grandparent-in-law. Such leave shall be for the purpose of making arrangements for and/or attending the funeral. In the event of the death of any other relative, unpaid time off to attend the funeral may be granted, not to exceed one (1) day.

18.4 Request for additional time off is covered under Article 18.7.

Leave for Union Business

18.5 Insofar as the efficient operation of the Corporation's business will permit, requests for leave of absence without pay and benefits may be granted to Union representatives for the purpose of taking part in official Union business. Such requests shall be made, in writing, to Management at least two (2) weeks in advance of the absence.

Jury Duty/Crown Witness

18.6 The Corporation shall pay an employee, who is required for Jury Duty or subpoenaed as a witness on behalf of the Corporation, the difference between his regular hourly rate and the payment received for such activity, excluding travel and meal expenses. The employee shall present proof of such payment received.

Personal Leave

18.7 Leaves of absence require the written permission of Management. Application for leave of absence must be submitted, in writing, at least one (1) week in advance to insure consideration unless not possible by reason of unforeseen personal emergency in which case verbal application will be accepted. Unless otherwise agreed, leave of absence will be without pay and leave of absence extending beyond five (5) days will be without pay and benefits. In this case, all costs (employee and employer costs) of the normal indemnities will be payable by the employee.

18.8 In the case of a leave of absence without pay, which exceeds thirty (30) days, Corporation Service Credit of regular employees will be frozen for the duration of the leave of absence at the level attained prior to the leave of absence. Freezing of service credit will not be in conflict with the Employment Standards Act of Ontario with respect to pregnancy/parental leave.

ARTICLE 19 – WORKPLACE SAFETY AND INSURANCE BOARD (W.S.I.B.)

19.1 When an employee, through his employment by the Corporation, suffers a disability which is compensable under the Workplace Safety and Insurance Act, the employee will be paid in accordance with the Act, and the Corporation will maintain up to a maximum of one and a half (1½) years, medical benefits and life insurance coverage on behalf of the employee as if he were in receipt of his regular hourly rate from the Corporation with the employee having the option to pay all the costs himself for an additional six (6) months. However, in the event that legislative requirements reduce the amount payable to those employees eligible for W.S.I.B. assistance below the present ninety percent (90%), the employer shall make up the difference between the amount paid through W.S.I.B. requirements to a benefit equal to ninety percent (90%) of the employees take home pay.

ARTICLE 20 - ALLOWANCES

Equipment

20.1 The Corporation shall issue, where required, the following equipment to be used by the employee in the safe performance of assigned duties.

- safety hard hat

- flash goggles and face shields
- rubber gloves complete with covers
- leather work gloves
- rainwear
- rubber boots
- spurs, body belts and pole straps
- safety goggles to fit over regular glasses
- Sunscreen

The above will only be replaced when worn out or broken.

Clothing Allowance

20.2 Safety Clothing will be provided to all Employees on an as needed basis.

Meals

20.3 Two (2) hours' overtime contiguous to the normal work hours and every four (4) hours thereafter are necessary in order to qualify for an overtime meal allowance, the amount of which cannot exceed fifteen dollars ($15.00). Planned overtime is excluded from the overtime meal allowance. One (1) day notice is required for planned overtime for the purpose of sufficient notice to prepare a lunch.

20.4 Under emergency conditions, when the Corporation provides a meal, a meal allowance will not be paid.

20.5 When employees are required on a daily basis to attend training sessions or seminars and if a meal is provided during the session, a meal allowance will not be applicable. When meals are not provided, the Corporation will provide $20 dollars for lunch with no receipt required. Other meals are not applicable for daily training sessions.

20.6 When an employee is required to attend training or seminars an appropriate meal allowance will be provided each day of $15 for breakfast, $20 for lunch and $35 for dinner. Overnight accommodations will be paid by the Corporation. No receipts are required for meal allowances.

Relief in Another Classification

20.7 When an employee is detailed to relieve in a unionized classification of higher rating such employee shall receive the rate of the higher classification.

When a unionized employee is detailed temporarily in a management position such employee shall receive an additional two dollars ($2.00) per hour above the lead hand rate in cases where the appointment is to a management position.

20.8 When an employee is detailed to relieve in a position of lower rating, such employee shall continue to receive regular hourly rate.

Safety Boots

20.9 The Corporation shall provide an allowance of up to nine hundred and twenty ($920) for the length of this contract – May 1, 2016 to April 30, 2020, toward the cost of CSA approved safety boots, on presentation of proof of purchase, to each employee required to wear them.

Tools

20.10 The Corporation shall supply all new regular employees with a set of tools deemed by Management to be appropriate for the work in their classification. Such tools shall remain the property of the Corporation and be maintained by the employees. Such tools shall be replaced by the Corporation if worn out or broken while performing work for the Corporation.

ARTICLE 21 - GENERAL

Committee and Stewards

21.1 The Corporation recognizes the appointment of two (2) stewards by the Union for the purpose of conducting relevant union business. The Union will keep the Corporation informed, in writing, of such appointments.

21.2 (i) Since stewards have regular duties to perform on behalf of the Corporation, they will not leave their regular duties without receiving permission from the foreman.

(ii) It is a steward's first responsibility to perform the work required of him/her as an employee of the Corporation. It is recognized, however, that a steward is the Union representative in the workplace with who the Corporation is required to deal as require by this agreement. Accordingly, a steward will, with the advance permission of his/her supervisor, be granted reasonable time during working hours without loss of pay to attend grievance meeting.

(iii) A steward may, where an employee so requests, attend or be called into any meeting between the employee and management which is for the purpose of issuing discipline, a suspension or discharge of the employee. The foregoing shall not apply where the suspension or discharge is not issued in person to the employee.

Contracting Out

21.3 No employee will be laid off as a result of contracting out of bargaining unit work.

Health and Safety

21.4 The Corporation and the Union recognize the obligation and responsibility of the Corporation and their employees to ensure the establishment and maintenance of good health and safety work practices. It is further recognized and understood that the employee must abide by all safety rules and regulations. It is further recognized and understood that the Corporation will not impede the health and safety of its employees while working beyond normal working hours.

ARTICLE 22 - WAGES AND PROGRESSIONS

22.1 The wage rates and classifications shall be as set out in Schedule "A" attached to and forming part of this agreement for purposes of payment of wages only.

22.2 Employees on progression shall normally be progressed in accordance with the schedule. However, if any employee fails to make satisfactory progress, his advancement will be withheld for a period of six (6) months. When progression is withheld Management shall give one (1) month's notice to the employee and reason for withholding routine progression. At the next routine progression date his general performance will be reviewed and if found satisfactory, he shall be granted routine progression. If his progress and general performance are not found to be satisfactory, he shall be transferred to another classification, if available, or dismissed.

ARTICLE 23 - DURATION

23.1 This agreement shall become effective on May 1, 2016 and such agreement shall remain in effect until April 30, 2020, and from year to year thereafter unless either party gives notice in writing to the other party within the ninety (90) day period prior to the expiry date of its desire to alter or terminate same.

23.2 In witness whereof the parties hereto have herewith set their hands and seals this 24th day of June, 2016.

Vice President, Operations

NIAGARA-ON-THE-LAKE HYDRO INC.

Tim Curtis
President

Philip Wormwell
Vice President, Finance

Hassan Syed

LOCAL UNION 636 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Domenic Murdaca
Business Representative

Martyn Heard
Union Steward

Jonathan Beam
Member

Kevin Sidey
Member

Barry Brown
Business Manager/Financial Secretary

SCHEDULE "A" - WAGES

Classification	%	May 1, 2016 (2.1%)	May 1, 2017 (2.1%)	May 1, 2018 (2.0%)	May 1, 2019 (2.0%)
Leadhand	**107**	**42.73**	**43.62**	**44.50**	**45.39**
Sr. Engineering Technologist	**107**	**42.73**	**43.62**	**44.50**	**45.39**
Journeyman Lineman	**100**	**39.93**	**40.77**	**41.59**	**42.42**
4th year	**90**				
3rd year	**80**				
2nd year	**70**				
1st year	**65**				
6 months	**60**				
start	**55**				
Engineering Technologist/Technician	**100**	**39.93**	**40.77**	**41.59**	**42.42**
4th year	**90**				
3rd year	**80**				
2nd year	**70**				
1st year	**65**				
6 months	**60**				
start	**55**				
Journeyman Meterman	**100**	**32.54**	**33.22**	**33.89**	**34.56**
4th year	**90**				
3rd year	**80**				
2nd year	**70**				
1st year	**65**				
6 months	**60**				
start	**55**				
Customer Service Representative					
1st year	**100**	**33.38**	**34.08**	**34.76**	**35.45**
start	**90**				
	80				
Ground Person	**100**	**28.15**	**28.74**	**29.31**	**29.90**
Meter Reader	**100**	**22.63**	**23.10**	**23.56**	**24.03**
Start	**90**				

Notes: Line Supervisor will appoint a Lead Hand for each two man crew on a daily basis as required. On-Call man (Journeyman Lineman-unless otherwise designated by Line Supervisor) will be designated as Lead Hand when an additional man is called out. In all cases there will only be one lead hand per two man crew.

SCHEDULE "B" - SICK LEAVE PLAN

B.1 The Corporation's Sick Leave Plan for regular employees was created by the Corporation to reduce the financial hardship that bona fide non-occupational illness or injury can create so far as inability to work and the consequent loss of normal wages are concerned.

B.2 To qualify for payment of sick leave pay, an employee must:

1. ensure his illness is reported to Management as soon as possible;
2. be suffering from a bona fide illness which prevents his useful employment and is not compensable under the Workplace Safety & Insurance Act and was not received while performing paid work for an employer other than the Corporation;
3. submit written verification of his illness signed by a qualified Doctor if requested, prior to returning to work or automatically if absent for five (5) days or more; The Corporation will reimburse the employee for the cost of the note.
4. submit to medical examination of a Doctor designated by Management upon request during normal working hours without loss of pay.

B.3 For every month of regular attendance a regular employee shall be entitled to a sick leave credit of one and one-half (1½) days per month and such credits shall be cumulative from month to month and year to year. From such credits shall be deducted the number of days which an employee is absent by reason of illness or injury.

B.4 Monthly sick leave credit accrues to a regular employee on the first day of the month following each completed calendar month of service and is cumulative to an amount not exceeding one hundred and eighty (180) days for a period of continuous and unbroken service with the Corporation. On extended sick leave, use of sick leave credits will be limited to the qualification period of the LTD Plan after which time the employee shall go on the LTD Plan.

B.5 An employee will accumulate sick leave credit provided he has worked more than half of the working days in any calendar month. Accumulation of sick leave credit will also continue when;

a) absence is by reason of annual vacation, or
b) absence is due to occupational illness or injury of less than three (3) months. Absence of more than three (3) months will result in no accumulation of credits for the entire period.

B.6 An employee who successfully sues a third party for losses sustained or purported to be sustained during an absence for which sick time credits were expended by the Corporation is required to reimburse the Corporation the equivalent value of sick time credits used.

B.7 An employee on pregnancy leave is not eligible for sick leave pay.

B.8 Employees on the payroll as of January 1, 1983, who terminate employment by reason of:

1. death, or;
2. retirement on pension, or;
3. retirement without pension, or;
4. voluntary retirement, other than discharge for cause;

after a period of not less than ten (10) consecutive years of service, shall be paid (or a personal representative, or failing a personal representative, such other person as the Corporation may determine) an amount computed on the basis of the rate of pay at the date of leaving the employ of the Corporation for a period equal to fifty percent (50%) of the value of the sick leave credits standing to his credit but the amount shall not exceed six (6) months' pay. In establishing credits for hourly rated employees under this paragraph, the standard number of hours normally worked per day upon which overtime is calculated shall be used.

LETTER OF UNDERSTANDING -- SUMMER/FLEX HOURS

The Niagara-on-the-Lake Hydro Inc. and Local Union 636 of the International Brotherhood of Electrical Workers agree that:

The following outline pertains to revised hours of work throughout the year.

Either party may with one week's notice, opt to return to the "regular hours of work schedule". If the Union wishes to exercise this option, a majority vote will be the deciding factor among the employees in the Line department. For employees in the Engineering department, employees may opt out on an individual basis.

Employee participation in the Line department is mandatory. Employee participation in the Engineering department is voluntary.

The hours of work will be as follows:

Line Department:	7:00 a.m. -- 3:00 p.m. paid 20 minute on-site lunch Monday to Friday
Engineering Department:	8 hour or 10 hour shift paid 20 minute on-site lunch Monday to Friday Start and stop times of shift(s) to be mutually agreed

In addition, it is agreed that sick time and vacation time will be charged out in an hourly format (i.e., in eight (8) or ten (10) hour increments)

References in the Collective Agreement to the normal work day and normal work week will revert to the hours outlined in this letter of understanding during the defined time frame.

Statutory Holidays: Will be paid in eight (8) hour segments.

Overtime: All hours worked outside of the "regular work day" will be at the applicable overtime rates.

This letter of understanding may be utilized in subsequent years of the Collective Agreement upon mutual agreement of the parties.

Dated 24th day of June, 2016

Signed for the Corporation

Tim Curtis, President

Signed for the Union

Domenic Murdaca, Business Representative

LETTER OF UNDERSTANDING -- AFTERNOON SHIFT

The Niagara-on-the-Lake Hydro Inc. and Local Union 636 of the International Brotherhood of Electrical Workers agree that:

In the event that the Niagara-on-the-Lake Hydro Electric Corporation enters into joint services with another utility, it would be beneficial to implement an afternoon shift in the line department.

The implementation of such a shift will only occur when the following conditions have been met;

(1) Joint Services are initiated with another utility.
(2) The affected employees at the other utility mutually agree to participate in an afternoon shift.

It is further understood and agreed that the terms and conditions of the shift will be negotiated and mutually agreed upon between the parties prior to implementation.

Dated 24th day of June, 2016

Signed for the Corporation

Tim Curtis, President

Signed for the Union

Domenic Murdaca, Business Representative

LETTER OF UNDERSTANDING -- MERGER, AMALGAMATION OR COMBINATION

The Niagara-on-the-Lake Hydro Inc. and Local Union 636 of the International Brotherhood of Electrical Workers agree that:

In the event that there is a merger with another Corporation, Company or Companies, in which the covered employees therein are represented by another Union, the representation rights and collective agreement in respect of Local 636 IBEW members shall be maintained until a final determination is made under the Labour Relations Act of Ontario or enabling legislation as to the representation of the combined group.

Should the Corporation merge, amalgamate or combine any of its operations or functions with another Corporation, Company or Companies, the employer agrees to give the Union as much notice as practically possible prior to any intent by the employer to implement the above.

Dated 24th day of June, 2016

Signed for the Corporation

Tim Curtis, President

Signed for the Union

Domenic Murdaca, Business Representative

COLLECTIVE AGREEMENT

between

NIAGARA-ON-THE-LAKE HYDRO INC.

and

LOCAL UNION NO. 636

of the

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

May 1, 2016 to April 30, 2020

(Office Staff)

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COLLECTIVE AGREEMENT
between

NIAGARA-ON-THE-LAKE HYDRO INC.
(Hereinafter called the "Corporation")
and

LOCAL UNION NO. 636
of the
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
(Hereinafter called the "Union")

ARTICLE 1 - RECOGNITION

1.1 Corporation hereby recognizes the Union as the sole collective bargaining agent for all employees of Niagara-on-the-Lake Hydro Inc. save and except billing supervisor, administrative assistant, all persons above the rank of billing supervisor, those covered by other collective agreements, persons regularly employed for not more than twenty-four (24) hours per week, students employed during the school vacation period, students employed on a cooperative training program and individuals hired on a government-sponsored program.

ARTICLE 2 - UNION SECURITY AND CHECK-OFF

2.1 All employees covered under Article 1 of this agreement, who are members of the Union shall remain members of the Union and all new employees shall become and remain members of the Union after thirty (30) calendar days of employment.

2.2 All employees in the bargaining unit shall be required to sign an authorization assigning to the union an amount equivalent to regular monthly dues and the Corporation shall deduct such amounts from the weekly wages of employees and remit the dues to the financial secretary of Local 636 by the 15th of the month following the month in which the deductions were made with a list of the names of the employees from whose pay such deductions have been made. The Corporation will provide the minimum information to calculate union dues when requested. The Corporation will also deduct a one-time union initiation fee in addition to the weekly dues as described by the union. The dues to be included on the T4 slip.

2.3 It is understood and agreed that the Union will save the Corporation harmless from any and all claims which may be made against it by an employee or employees for amounts deducted from earnings as herein provided.

2.4 A Union Negotiating Committee shall consist of a maximum of one (1) member plus the Union Business Manager or designate for the purpose of Collective Bargaining. The member so appointed, excluding the Union Business Manager or designate, must be an employee of the Corporation covered by this Collective Agreement and have completed the probation period as set out in Article 5.

2.5 Both the Corporation and the Union recognize their respective responsibilities under the Human Rights Code and other statutory requirements.

ARTICLE 3 - MANAGEMENT RIGHTS

3.1 The Union acknowledges and agrees that the Corporation has the exclusive right to manage its business, and without limiting the generality of the foregoing, to direct the working force, to hire, promote, transfer, demote or lay off employees, discharge, or otherwise discipline employees, for just cause, and to make, amend and enforce such rules and regnlations as shall from time to time be required, provided that they are not inconsistent with the provisions of this agreement.

3.2 All functions and prerogatives heretofore vested in and exercised by the Corporation shall remain solely with the Corporation except as specifically limited by the express provision of this agreement.

ARTICLE 4 - CORPORATION SERVICE CREDIT

Definition

4.1 The length of continuous service a regular employee has established with the Corporation from the most recent date the employee entered the employ of the Corporation.

4.2 The Corporation shall maintain a seniority list showing the date upon which each employee's Corporation service commenced. An up-to-date seniority and classification list shall be sent to the Union and posted on all bulletin boards in January of each year.

4.3 A regular employee shall lose seniority rights and have her name removed from the employment records if she:

I. retires;
II. resigns;
III. is discharged for just cause and not reinstated through the grievance/arbitration procedure;
IV. is absent from work for three (3) working days without notification to the employer, unless a satisfactory explanation is provided for this absence;
V. fails to report to work within ten (10) working days following recall after a lay off unless a satisfactory explanation is provided for this failure;
VI. is absent from work because of lay off or leave of absence for a period greater than one (1) year.
VII. An employee who fails to return to work within twenty-four (24) months as a result of a non-occupational illness or injury shall lose her Corporation service credit and be removed from the payroll.
VIII. An employee who fails to return to work within twenty-four (24) months as a result of an occupational illness or injury shall lose her Corporation service credit and be removed from the payroll.

ARTICLE 5 - EMPLOYEE CATEGORIES

5.1 **Temporary employees** are those hired for a period of not more than six (6) consecutive months or for a specific task or twelve (12) consecutive months to cover off maternity/parental leave requirements under the Employment Standards Act. They shall not accumulate Corporation Service Credit nor shall they be entitled to any of the rights or privileges accruing to regular or probationary employees, nor shall they have recourse to the grievance and arbitration procedures.

5.2 **Probationary employees** are those who are hired on trial basis to determine their suitability for employment in regular positions. An employee shall be considered probationary for a period of six (6) months worked, at the discretion of Management.

5.3 Where it is mutually agreed that the ability to assess an employee is affected by periods of non-working time such as sickness, leaves of absence, etc., the probationary period may be extended in direct proportion to the periods of lost time after consultation with the Union.

5.4 During this period of probation, she shall be entitled to all the rights and privileges set out in the collective agreement, except that she shall not have recourse to the grievance and arbitration procedure on termination.

5.5 **Regular employees** are persons who have satisfactorily served a probationary period and are currently in the employ of the Corporation.

5.6 The term "employee" when used in this agreement shall mean "regular employee" unless specifically stated otherwise.

5.7 **Government Sponsored Program Employees**

Employees who may be hired under the provision of Article 1, Cooperative Training Program and Government Sponsored Program shall not be employees to replace regular employees.

5.8 **Singular or Feminine**

Whenever the singular or feminine is used in the agreement, it shall be used as if plural or masculine has been used where the context of the agreement so indicates.

ARTICLE 6 - LOCKOUTS AND STRIKES

6.1 There shall be no "lockout" by the Corporation and no interruption, work stoppage or "strike" during the term of this agreement. The terms "strike" and "lockout" shall be interpreted in accordance with the definitions as set out in the Labour Relations Act.

ARTICLE 7 - GRIEVANCE PROCEDURE

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

7.2 Complaints and grievances shall be dealt with in the following manner and all grievances must be in writing and filed within fourteen (14) calendar days of the circumstances giving rise to the grievance.

7.3 <u>Step 1</u>
The employee, accompanied by a steward if the employee wishes, may take the matter up with the billing supervisor who will give her reply in writing within three (3) working days. Failing settlement of this stage, the employee may within three (3) working days proceed to Step 2.

7.4 <u>Step 2</u>
The employee, accompanied by a steward and/or a representative of the Union, may take the matter up with the general manager or designate who will reply in writing within five (5) working days. Failing settlement of this stage, the matter may then be referred to Article 8 of this agreement within twenty (20) working days.

7.5 Where a dispute involving a question of general application or interpretation occurs or where a group of employees or the Union has a grievance, Step 1 of this Article may be bypassed and such grievance submitted at Step 2 within five (5) working days of the occurrence of the event giving rise to the grievance.

7.6 A claim by an employee that she has been suspended or discharged without just cause shall be treated as a grievance if a written statement of such grievance is lodged with the general manager at Step 2 within five (5) working days after notice by management to the Union Steward of the suspension or discharge.

7.7 The time limits provided in this article may be extended by mutual written agreement between the parties concerned.

7.8 Notwithstanding the above, the parties may reach settlement to a grievance through the services of a Grievance Settlement Officer or other mutually agreeable third party facilitator. The parties shall jointly bear the expense of the Grievance Settlement Officer or other agreed-upon third party.

ARTICLE 8 - ARBITRATION PROCEDURE

8.1 Where a difference arises between the parties relating to the interpretation, application or administration of this agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated, either of the parties may, after exhausting any grievance procedure established by this agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration. The parties to this agreement may request the Ontario Minister of Labour to appoint a single arbitrator in accordance with the provisions of the Labour Relations Act (Ontario) or the parties may otherwise agree to the appointment of a sole arbitrator.

8.2 The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee or employer affected by it.

8.3 The arbitrator shall not make any decision inconsistent with the provisions of this agreement, nor alter, modify or amend any part of this agreement, but shall only consider the question in dispute.

8.4 No matter shall be submitted to arbitration which has not been properly lodged and carried through all previous steps of the Grievance Procedure.

8.5 The proceedings of the arbitrator will be expedited by the parties hereto, and the decision of the arbitrator shall be final and binding upon all parties concerned.

8.6 The expense of the arbitrator together with any incidental or general expense connected with the arbitration proceedings shall be divided equally between the parties hereto.

ARTICLE 9 - HOURS OF WORK AND OVERTIME

9.1 This section provides the basis for establishing work schedules and for the calculation and payment of overtime, but shall not be read or construed as a guarantee of hours of work per day or week or a guarantee of days of work per week.

Hours of Work

9.2 The normal work week of employees shall be thirty-five (35) hours of work per week consisting of five (5) days of seven (7) hours each from Monday to Friday inclusive between the hours of 0830 and 1630 with one (1) hour lunch period.

Overtime

9.3 Due to the nature of its operations the Corporation may require employees to work at other than their normal hours and in addition to their normal hours beyond the limits as described above. An employee shall be paid for overtime at the rate of two (2) times their regular hourly rate for all work performed from normal quitting time until normal starting time and on Saturday, Sunday, and Recognized Holidays.

9.4 An employee who is required to work for more than sixteen (16) hours or an employee who accumulates sixteen (16) hours of working time in any twenty-four (24) hour period shall be entitled to an eight (8) hour rest period.

9.5 An employee will qualify for 4 hours of rest time to commence at the start of the next regular shift should he/she work more than three (3) consecutive hours during the period between midnight and the next regular shift and 8 hours rest time to commence at the start of the next regular shift should he/she work five (5) or more consecutive hours between midnight and the next regular shift. All rest time will be paid at straight time pay.

9.6 Should the employee he required to continue working beyond the sixteen (16) hour period, the employee shall be paid two (2) times their regular hourly rate until an eight (8) hour rest period is granted.

9.7 All employees will be permitted to bank lieu time hours of overtime. The amount added into the bank is not to exceed seventy (70) hours during the calendar year. The employee will have the opportunity to carry-over up to one (1) week of lieu time provided the combination of lieu time and vacation time carryover does not exceed a total of two (2) weeks. All other lieu time will be cashed out. If lieu time is cashed out throughout the year, it may not be replenished. Employees will give two weeks' notice if they wish to cash out any portion of their lieu time throughout the year.

ARTICLE 10 - MINIMUM CALL-OUT

10.1 When an employee is called in for emergency overtime work outside of her normal working hours, she shall be provided with a minimum payment of two (2) hours' pay at the appropriate overtime rate.

10.2 When an employee has completed her call-out she will be allowed to return home, provided she has checked to ensure that additional calls have not heen received. All calls received within two (2) hours of the first call shall be considered the same call.

10.3 There shall be no minimum payment applicable to call-outs or overtime worked contiguous to an employee's normal daily working hours. Calls received less than one hour before normal starting time do not qualify for minimum call out. Premium rate for time worked will apply.

ARTICLE 11 - RECOGNIZED HOLIDAYS

11.1 Each employee shall be entitled to the following paid holidays:

New Year's Day	Civic Holiday
Good Friday	Labour Day
Victoria Day	Thanksgiving Day
Canada Day	One-half Day Before Christmas
Boxing Day	One-half Day Before New Year's Day
Christmas Day	Family Day

and all additional holidays proclaimed by federal and provincial governments.

11.2 Two (2) additional floater holidays at a time most desired by the employee, providing this does not impede the efficient operation of the Corporation's business.

11.3 Payments for the above-named recognized holidays will be made provided the employee works the regularly assigned day immediately preceding and succeeding the day of observance of the holiday or, unless on an authorized short term leave of absence (three (3) weeks or less), vacation or sick leave.

11.4 In the event of any of the above-named holidays falling on a Saturday and/or Sunday and not proclaimed as being observed on some other day, the preceding Friday or the following Monday as determined by the Corporation shall be deemed to be holidays for the purpose of this agreement unless otherwise agreed to by the parties.

ARTICLE 12 - VACATIONS

12.1 Vacations will, as far as it is practicable, be granted at the times most desired by the employees, providing this does not impede the efficient operation of the Corporation's business.

12.2 An employee must notify Management of her preferred vacation period by May 1 in any given year. However, Management shall retain the authority to designate vacation periods for all employees in a manner consistent with the efficient operation of the Corporation. Vacations are not cumulative and shall be taken during each calendar year unless approved by Management. Such approval must be requested by the employee, in writing, by September 30th and must be specific in the vacation request for the following year. If such application is received by September 30th, Management will reply within 10 working days. A maximum of two weeks carry-over to the following year will be allowed but must be taken before October 31st in the carry-over year.

12.3 Probationary and temporary employees shall be granted vacation entitlement as provided by the Employment Standards Act.

12.4 An employee with less than one (1) year continuous service shall be entitled to four (4) percent of gross wages at December 31, or the equivalent time off with pay.

12.5 An employee with one (1) year or more of continuous service completed during the calendar year ended December 31 will be entitled to two (2) weeks' vacation with pay at the employee's regular hourly rate based on the employee's normal work week.

12.6 An employee with three (3) years or more of continuous service completed during the calendar year ended December 31 will be entitled to three (3) weeks' vacation with pay at the employee's regular hourly rate based on the employee's normal work week.

12.7 An employee with nine (9) years or more of continuous service completed during the calendar year ending December 31 will be entitled to four (4) weeks' vacation with pay at the employee's regular hourly rate based on the employee's normal work week.

12.8 An employee with seventeen (17) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) weeks' vacation with pay at employee's regular hourly rate based on the employee's normal work week.

12.9 An employee with twenty-two (22) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and one (1) day with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-three (23) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and two (2) days with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-four (24) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and three (3) days with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-five (25) years or more of continuous service completed during the calendar year ending December 31 will be entitled to five (5) and four (4) days with pay at employee's regular hourly rate based on the employee's normal work week.

An employee with twenty-six (26) years or more of continuous service completed during the calendar year ending December 31 will be entitled to six (6) weeks' vacation with pay at employee's regular hourly rate based on the employee's normal work week.

12.10 An employee shall not be granted more than two (2) weeks' vacation during the period of June 15 to September 15 except with permission of the Management.

12.11 Vacation pay shall be based on the employee's regular hourly rate.

12.12 To be entitled to vacation pay, an employee must work forty (40) of the weeks in the year ending December 31. If an employee works fewer than forty (40) weeks her vacation shall be reduced on a pro-rata basis for each week less than the forty (40) weeks which she does not work. Maternity leave, Workers' Compensation and Jury duty are excluded from this calculation.

ARTICLE 13 - SICK LEAVE PLAN

13.1 The Sick Leave Plan as specified in detail in Schedule "B" is attached to and forms part of this agreement.

ARTICLE 14 - HEALTH PLAN

14.1 The Corporation agrees to pay for employees in receipt of regular hourly rate, one hundred percent (100%) of the premiums for the following Health Plans or equivalent:

- ClaimSecure Extended Health Plan $10/$20 deductible;
    - Includes Chiropractic at $1000/year maximum (all dependents combined)
    - Includes Massage therapy to $1000/year maximum (all dependents combined)
    - Includes Physiotherapy to $1,000/year maximum (all dependents combined)
    - Includes Semi-private coverage (if available)
    - <u>Includes</u> Drug dispensing cap of $12.50 effective May 1, 2016; $13.00 effective May 1, 2017; $13.50 effective May 1, 2018 and $14.00 effective May 1, 2019. Employees agree to accept 'Generic Drugs' first and 'Formulary Plan' with Doctor Override
- Basic Dental Plan (ClaimSecure Level 1 & 2) ($2,250 per person, per year maximum), Crown & Bridgework and Orthodontics coverage (ClaimSecure Level 3 & 4)(50/50 co-pay, $2,400.00 per person, per year maximum -- Orthodontic coverage to terminate at age 19). Dental recall for adults shall be every nine (9) months and for children under the age of eighteen (18) it shall be every six (6) months
- ClaimSecure Vision Plan providing a maximum benefit coverage of $450.00 every 24 months effective May 1, 2016. Eye examinations $90/two years; Vision coverage can be used towards Corrective Laser Eye Surgery.
- ClaimSecure Out-of-Province/Country maximum of 60 days/trip coverage.
- Long Term Disability Plan providing 70% income benefit to a maximum of $3,600 per month with an eighty-five (85) working-days waiting period.

14.2 The Corporation agrees to pay for employees in receipt of normal base wages one hundred percent (100%) of the premium for a Basic and Comprehensive basic Dental Service or equivalent with current O.D.A. Fee Schedule.

14.3 If there is a change in carriers, the Union must be notified immediately. The plan must be of equal or better value.

14.2 The Corporation agrees to pay for employees in receipt of normal base wages one hundred percent (100%) of the premium for a Green Shield Basic and Comprehensive basic Dental Service or equivalent with current O.D.A. Fee Schedule.

14.3 If there is a change in carriers, the Union must be notified immediately. The plan must be of equal or better value.

ARTICLE 15 - PENSION AND INSURANCE

15.1 All eligible employees with the Corporation shall participate in the Corporation's Pension and Insurance Plans as follows:

- Ontario Municipal Employees Retirement System Basic FAE (Final Average Earnings) on a equally shared basis with the Corporation.
- The Corporation and the employees shall participate in the Canada Pension Plan as required by the Canada Pension Act.
- The Corporation shall provide Life Insurance coverage for all regular employees in receipt of normal base wages, equivalent to current coverage of one and one-half (1½) times the employee's normal base wages.

15.2 The Corporation agrees to pay fifty percent (50%) of the premiums for Dental, Extended Health including Vision Care for all employees who retire early between the ages of 55 to 65.

ARTICLE 16 - JOB POSTING AND SELECTION

16.1 When vacancies occur within the bargaining unit, or new jobs are created within the bargaining unit, these positions shall be posted on the bulletin board, accessible to all employees, for a period of five (5) working days, during which time present employees shall have the opportunity of applying before outsiders are considered. During the posting period, the Corporation may fill a vacancy on a temporary basis. The experience gained while filling this temporary vacancy will not be used as determining factor in the job selection process.

16.2 Such notice shall contain the following information: nature of the position, qualifications, knowledge, experience, skills, and wage rates.

16.3 In filling vacancies and making transfers or promotions among employees represented by the Union, the Management will consider the qualifications and ability as the primary factors. In the event qualifications and ability of the respective applicants are relatively equal in Management's opinion, Corporation service shall govern.

16.4 Promotion shall mean advancement to a job which carries a higher rate of pay.

ARTICLE 17 - LAY OFF AND RECALL

17.1 In the event of a lay off, Management agrees that employees shall be laid off in the reverse order of their Corporation service credit provided Management can retain a work force qualified in its opinion to perform the work remaining. Employees shall be recalled in the order of their Corporation service credit provided they are qualified, capable and have the ability to do the work available.

17.2 It shall be the responsibility of the employee to keep Management informed, in writing, of change in her postal address and telephone number.

17.3 It is understood that in exercising her accrued rights in accordance with the above, advancement to a job which carries a higher rate of pay is not permitted.

ARTICLE 18 - LEAVE OF ABSENCE FROM WORK

Bereavement

18.1 An employee will be allowed up to five (5) working days' leave of absence with pay in the event of the death of her spouse, child, father or mother. Such leave shall be for the purpose of making arrangements and/or attending the funeral.

18.2 An employee will be allowed up to three (3) consecutive days' leave of absence with pay in the event of the death of her brother, step-brother, sister, step-sister, grandparent, grandchild, father-in-law or mother-in-law, step-parent, or step child. Such leave shall be for the purpose of making arrangements for and/or attending the funeral. Only that portion of the said three (3) days that would otherwise have been regular time worked will be paid.

18.3 An employee will be allowed one (1) day leave of absence with pay in the event of the death of any current staff member, brother-in-law, sister-in-law, step parent-in-law, aunt, uncle, niece, nephew or grandparent-in-law. Such leave shall be for the purpose of making arrangements for and/or attending the funeral. In the event of the death of any other relative, unpaid time off to attend the funeral may be granted, not to exceed one (1) day

18.4 Request for additional time off is covered under Article 18.7.

Leave for Union Business

18.5 Insofar as the efficient operation of the Corporation's business will permit, requests for leave of absence may be granted without pay and benefits to Union representatives for the purpose of taking part in official Union business. Such requests shall be made, in writing, to Management at least two (2) weeks in advance of the absence.

Jury Duty/Crown Witness

18.6 The Corporation shall pay an employee, who is required for Jury Duty or subpoenaed as a witness on behalf of the Corporation, the difference between her regular hourly rate and the payment received for such activity, excluding travel and meal expenses. The employee shall present proof of such payment received.

Personal Leave

18.7 Leaves of absence require the written permission of Management. Application for leave of absence must be submitted, in writing, at least one (1) week in advance to insure consideration unless not possible by reason of unforeseen personal emergency in which case verbal application will be accepted. Unless otherwise agreed, leave of absence will be without pay and leave of absence extending beyond five (5) days will be without pay and benefits. In this case, all costs (employee and employer costs) of the normal indemnities will be payable by the employee.

18.8 In the case of a leave of absence without pay which exceeds thirty (30) days, Corporation Service Credit of regular employees will be frozen for the duration of the leave of absence at the level attained prior to the leave of absence. Freezing of service credit will not be in conflict with the Employment Standards Act of Ontario with respect to pregnancy/parental leave.

ARTICLE 19 – WORKPLACE SAFETY AND INSURANCE BOARD (W.S.I.B.)

19.1 When an employee, through her employment by the Corporation, suffers a disability which is compensable under the Workplace Safety and Insurance Act, the employee will be paid in accordance with the Act, and the Corporation will maintain up to a maximum of one and a half (1½) years, medical benefits and life insurance coverage on behalf of the employee as if she were in receipt of her regular hourly rate from the Corporation with the employee having the option to pay all the costs herself for an additional six (6) months. However, in the event that legislative requirements reduce the amount payable to those employees eligible for W.S.I.B. assistance below the present ninety per cent (90%), the employer shall make up the difference between the amount paid through W.S.I.B. requirements to a benefit equal to ninety per cent (90%) of the employees take home pay.

ARTICLE 20 - ALLOWANCES

Meals

20.1 Two (2) hours' overtime contiguous to the normal work hours and every four (4) hours thereafter are necessary in order to qualify for an overtime meal allowance, the amount of which cannot exceed fifteen dollars ($15.00) subject to provision of receipts. Planned overtime is excluded from the overtime meal allowance. One (1) day notice is required for planned overtime for the purpose of sufficient notice to prepare a lunch.

20.2 Under emergency conditions, when the Corporation provides a meal, a meal allowance will not be paid.

20.3 When employees are required on a daily basis to attend training sessions or seminars and if a meal is provided during the session, a meal allowance will not be applicable. When meals are not provided, the Corporation will provide $20 dollars for lunch with no receipt required. Other meals are not applicable for daily training sessions.

20.4 When an employee is required to attend training or seminars an appropriate meal allowance will be provided each day of $15 for breakfast, $20 for lunch and $35 for dinner. Overnight accommodations will be paid by the Corporation. No receipts are required for meal allowances.

20.5 **Relief in Another Category**

When a unionized employee provides a lead role as a result of the immediate supervisor being away, such employee shall receive an additional two dollars ($2.00) per hour above their current rate. Determination of the need for this relief and the choice of the individual unionized employee will be at the sole discretion of management, however will be at the 100% level of their classification.

ARTICLE 21 - GENERAL

Committee and Stewards

21.1 The Corporation recognizes the appointment of one (1) steward by the Union for the purpose of conducting relevant union business. The Union will keep the Corporation informed, in writing, of such appointments.

21.2 (i) Since stewards have regular duties to perform on behalf of the Corporation, they will not leave their regular duties without receiving permission from the billing supervisor.

(ii) It is a steward's first responsibility to perform the work required of him/her as an employee of the Corporation. It is recognized, however, that a steward is the Union representative in the workplace with who the Corporation is required to deal as require by this agreement. Accordingly, a steward will, with the advance permission of his/her supervisor, be granted reasonable time during working hours without loss of pay to attend grievance meeting.

(iii) A steward may, where an employee so requests, attend or be called into any meeting between the employee and management which is for the purpose of issuing discipline, a suspension or discharge of the employee. The foregoing shall not apply where the suspension or discharge is not issued in person to the employee.

Contracting Out

21.3 No employee will be laid off as a result of contracting out of bargaining unit work.

Health and Safety

21.4 The Corporation and the Union recognize the obligation and responsibility of the Corporation and their employees to ensure the establishment and maintenance of good health and safety work practices. It is further recognized and understood that the employee must abide by all safety rules and regulations. It is further recognized and understood that the Corporation will not impede the health and safety of its employees while working beyond normal working hours.

Residency

21.5 Employees shall inform the Corporation in writing of their current address and telephone number and keep the Corporation informed within five (5) days of any change.

ARTICLE 22 - WAGES AND PROGRESSIONS

22.1 The wage rates and classifications shall be as set out in Schedule "A" attached to and forming part of this agreement for purposes of payment of wages only.

22.2 Employees on progression shall normally be progressed in accordance with the schedule. However, if any employee fails to make satisfactory progress, her advancement will be withheld for a period of six (6) months. When progression is withheld, Management shall give one (1) month's notice to the employee and the reason for withholding routine progression. At the next routine progression date, her general performance will be reviewed and if found satisfactory, she shall be granted routine progression. If her progress and general performance are not found to be satisfactory, she shall be transferred to another classification, if available, or dismissed.

22.3 Employees will participate in an annual performance appraisal.

ARTICLE 23 - DURATION

23.1 This agreement shall become effective on May 1, 2016 and such agreement shall remain in effect until April 30, 2020, and from year to year thereafter unless either party gives notice in writing to the other party within the ninety (90) day period prior to the expiry date of its desire to alter or terminate same.

23.2 In witness whereof the parties hereto have herewith set their hands and seals this 24th day of June, 2016.

NIAGARA-ON-THE-LAKE HYDRO INC.

Tim Curtis
President

Philip Wormwell
Vice President, Finance

Hassan Syed
Vice President, Operations

LOCAL UNION 636 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Domenic Murdaca
Business Representative

Jody Keus
Union Steward

Lisa DiSanto
Member

Barry Brown
Business Manager/Financial Sec.

SCHEDULE "A" - WAGES

CLASSIFICATION	%	MAY 1, 2016 (2.1%)	MAY 1, 2017 (2.1%)	MAY 1, 2018 (2.0%)	MAY 1, 2019 (2.0%)
Customer Accounts Representative	100	**30.94**	**31.59**	**32.22**	**32.86**
1st year	90				
start	80				
Accounting Clerk	100	**31.11**	**31.76**	**32.40**	**33.05**
1st year	90				
start	80				
Accounting Officer	100	**33.38**	**34.08**	**34.76**	**35.45**
1st year	90				
start	80				
Finance and Accounting Officer	100	**35.03**	**35.77**	**36.48**	**37.21**
1st year	90				
start	80				
Business Analyst	100				
1st year	90	**33.38**	**34.08**	**34.76**	**35.45**
start	80				

SCHEDULE "B" - SICK LEAVE PLAN

B.1 The Corporation's Sick Leave Plan for regular employees was created by the Corporation to reduce the financial hardship that bona fide non-occupational illness or injury can create so far as inability to work and the consequent loss of normal wages are concerned.

B.2 To qualify for payment of sick leave pay, an employee must:

1. ensure her illness is reported to Management as soon as possible;
2. be suffering from a bona fide illness which prevents her useful employment and is not compensable under the Workplace Safety & Insurance Act and was not received while performing paid work for an employer other than the Corporation;
3. submit written verification of her illness signed by a qualified Doctor if requested, prior to returning to work or automatically if absent for five (5) days or more; The Corporation will reimburse the employee for the cost of the note.
4. submit to medical examination of a Doctor designated by Management upon request during normal working hours without loss of pay.

B.3 For every month of regular attendance a regular employee shall be entitled to a sick leave credit of one and one-half (1½) days per month and such credits shall be cumulative from month to month and year to year. From such credits shall be deducted the number of days which an employee is absent by reason of illness or injury.

B.4 Monthly sick leave credit accrues to a regular employee on the first day of the month following each completed calendar month of service and is cumulative to an amount not exceeding one hundred and eighty (180) days for a period of continuous and unbroken service with the Corporation. On extended sick leave, use of sick leave credits will be limited to the qualification period of the LTD Plan after which time the employee shall go on the LTD Plan.

B.5 An employee will accumulate sick leave credit provided she has worked more than half of the working days in any calendar month. Accumulation of sick leave credit will also continue when;

(a) absence is by reason of annual vacation, or
(b) absence is due to occupational illness or injury of less than three (3) months. Absence of more than three (3) months will result in no accumulation of credits for the entire period.

B.6 An employee who successfully sues a third party for losses sustained or purported to be sustained during an absence for which sick time credits were expended by the Corporation is required to reimburse the Corporation the equivalent value of sick time credits used.

B.7 An employee on pregnancy leave is not eligible for sick leave pay.

B.8 Employees on the payroll as of January 1, 1983, who terminate employment by reason of:

1. death, or;
2. retirement on pension, or;
3. retirement without pension, or;
4. voluntary retirement, other than discharge for cause;

after a period of not less than ten (10) consecutive years of service, shall be paid (or a personal representative, or failing a personal representative, such other person as the Corporation may determine) an amount computed on the basis of the rate of pay at the date of leaving the employ of the Corporation for a period equal to fifty percent (50%) of the value of the sick leave credits standing to her credit but the amount shall not exceed six (6) months' pay. In establishing credits for hourly rated employees under this paragraph, the standard number of hours normally worked per day upon which overtime is calculated shall be used.

LETTER OF UNDERSTANDING -- MERGER, AMALGAMATION OR COMBINATION

The Niagara-on-the-Lake Hydro Inc. and Local Union 636 of the International Brotherhood of Electrical Workers agree that:

In the event that there is a merger with another Corporation, Company or Companies, in which the covered employees therein are represented by another Union, the representation rights and collective agreement in respect of Local 636 IBEW members shall be maintained until a final determination is made under the Labour Relations Act of Ontario or enabling legislation as to the representation of the combined group.

Should the Corporation merge, amalgamate or combine any of its operations or functions with another Corporation, Company or Companies, the employer agrees to give the Union as much notice as practically possible prior to any intent by the employer to implement the above.

Dated 24th day of June, 2016

Signed for the Corporation

Tim Curtis, President

Signed for the Union

Domenic Murdaca, Business Representative

APPENDIX

4B

2019

NIAGARA-ON-THE-LAKE HYDRO

COST OF SERVICE RATE APPLICATION

EB-2018-0056

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.

Part 1 – Identification

Corporation's name	Business number
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001

Tax year	From (Y M D)	To (Y M D)	Is this an amended return?
	2017-01-01	2017-12-31	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)	1,421,693
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 understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent.

Email address for online mail (optional): ______

I, Curtis (Last name), Timothy (First name), President (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.

2018-06-07		(905) 468-4235
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	A6698
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 cra.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 canada.ca/taxes or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business number (BN) 001 86360 5929 RC0001

Corporation's name
002 NIAGARA-ON-THE-LAKE HYDRO 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
012 8 Henegan Road

City	Province, territory, or state
015 Virgil	016 ON
Country (other than Canada) 017	Postal or ZIP code 018 L0S 1T0

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 P.O. Box 460
023 8 Henegan Road

City	Province, territory, or state
025 Virgil	026 ON
Country (other than Canada) 027 CA	Postal or ZIP code 028 L0S 1T0

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
032

City	Province, territory, or state
035	036
Country (other than Canada) 037	Postal or ZIP code 038

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

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)		Tax year-end (Year Month Day)
060	2017-01-01	061	2017-12-31

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)
- [X] 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.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over CAN$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 a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	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		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 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)

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

Additional information

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

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

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

284	Electrical Distribution	285	99.000 %
286		287	%
288		289	%

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

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

		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

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	1,421,693	A
Deduct:					
Charitable donations from Schedule 2	311	400			
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gifts of medicine made before March 22, 2017, 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		400 ▶		400	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				1,421,293	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360	1,421,293	
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 8.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . **400** 1,421,693 A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** ______ 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** *** 41,746 D / 11,250 = ... 1,855,378 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) (from line 515 below) . . . . . ______ G

Amount F **minus** amount G . . . . . **427** ______ 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, 2018 365 / Number of days in the tax year 365 x 17.5 % = ______ 1

Amount A, B, C, or H, whichever is the least ______ x Number of days in the tax year after December 31, 2017, and before January 1, 2019 ______ / Number of days in the tax year 365 x 18 % = ______ 2

Total of amounts 1 and 2 (enter amount I at amount J on page 7) **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)

Applicable to tax years that begin after March 21, 2016

Except that, if the tax year of your corporation started before **and** ends on or after March 22, 2016 and in the tax year of a CCPC, you can make an assignment of business limit to that other CCPC if its tax year started after March 21, 2016.

	J1 Name of corporation receiving the income and assigned amount	J Business number of the corporation receiving the assigned amount **490**	K Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column J [3] **500**	L Business limit assigned to corporation identified in column J [4] **505**
1.				
			Total **510** ______	Total **515** ______

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 to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column K in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425.

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 9B and 9H from Part 9 of Schedule 27			B	
Amount 13K 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 427 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 7.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts 9B and 9H from Part 9 of Schedule 27			L	
Amount 13K 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 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ______ x 30 2/3 % = ______ A

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

Deduct:
Foreign investment income from Schedule 7 . . . . **445** ______ x 8 % = ______ C

Subtotal (amount B **minus** amount C) (if negative, enter "0") ______ ► ______ D

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

Taxable income from line 360 on page 3 . . . . 1,421,293 F

Deduct:
Amount from line 400, 405, 410, or 427 on page 4, whichever is the least . . . . ______ G

Foreign non-business income tax credit from line 632 on page 7 . . . . ______ x 75 / 29 = ______ H

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

Subtotal (total of amounts G, H and I) ______ ► ______ J

Subtotal (amount F **minus** amount J) (if negative, enter "0") 1,421,293 K x 30 2/3 % = 435,863 L

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

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

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year . . . . . . **460** ______

Deduct: Dividend refund for the previous tax year . . . . . . **465** ______

Subtotal ______ ► ______ O

Add the total of:

Refundable portion of Part I tax from line 450 above . . . . . . ______ P

Total Part IV tax payable from Schedule 3 . . . . . . ______ Q

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

Subtotal ______ ► ______ R

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

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 . . . . . . 500,000 x 38 1/3 % = 191,667 S

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

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

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550	A
Additional tax on personal services business income (section 123.5)				
Taxable income from a personal services business	555	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	1,421,293	E	
Deduct: Amount from line 400, 405, 410, or 427 on page 4, whichever is the least		F	
Net amount (amount E **minus** amount F)	1,421,293 ►	1,421,293	G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	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 8.

Privacy statement

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

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 7	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 U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld 801		
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Refund code 894 Overpayment

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

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 canada.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 A6698

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

Certification

I, 950 Curtis (Last name) 951 Timothy (First name) 954 President (Position, office, or rank),

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

955 2018-06-07 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (905) 468-4235 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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	6,249,975	6,574,003
	Total tangible capital assets	2008	+	32,778,940	31,043,453
	Total accumulated amortization of tangible capital assets	2009	–	3,156,763	2,538,668
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	2,139,022	1,958,194
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	38,011,174	37,036,982
	Liabilities				
	Total current liabilities	3139	+	7,635,048	7,617,941
	Total long-term liabilities	3450	+	13,802,993	13,622,906
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	21,438,041	21,240,847
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	16,573,133	15,796,135
	Total liabilities and shareholder equity	3640	=	38,011,174	37,036,982
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	9,708,384	8,823,929

***** Generic item

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

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI		Current year	Prior year
	Cash and deposits				
	* Cash and deposits	1000		366,780	
	Cash and deposits		+	366,780	
	Accounts receivable				
	Trade accounts receivable	1062		5,679,259	5,981,259
	Accounts receivable		+	5,679,259	5,981,259
	Inventories				
	* Inventories	1120		167,526	361,700
	Inventories		+	167,526	361,700
	Due from/investment in related parties				
	* Due from/investment in related parties	1400		9,886	9,754
	Due from/investment in related parties		+	9,886	9,754
	Other current assets				
	Taxes recoverable/refundable	1483			137,479
	Prepaid expenses	1484		26,524	83,811
	Other current assets		+	26,524	221,290
	Total current assets	1599	=	6,249,975	6,574,003

***** Generic item

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

Attached Schedule with Total

GIFI code 1062 – Trade accounts receivable

Title GIFI code 1062 – Trade accounts receivable

Description	Operator (Note)	Amount	
Accounts receivable		2,842,744	00
Unbilled Revenue	+	2,836,515	00
	+		
	Total	5,679,259	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI		Tangible capital assets		Accumulated amortization	Prior year
	Land						
	* Land	1600	+	307,134			307,134
	Total			307,134			
	Buildings						
	* Buildings	1680	+	797,582			747,892
	*Accumulated amortization of buildings	1681			–	72,629	53,268
	Total			797,582		72,629	
	Machinery, equipment, furniture and fixtures						
	* Machinery, equipment, furniture, and fixtures	1740	+	1,983,392			1,715,912
	*Accumulated amortization of machinery, equipment, furniture, and fixtures	1741			–	1,172,963	907,478
	Total			1,983,392		1,172,963	
	Other tangible capital assets						
	* Other tangible capital assets	1900	+	28,196,333			27,497,317
	*Accumulated amortization of other tangible capital assets	1901			–	1,911,171	1,577,922
	Other capital assets under construction	1920	+	1,494,499			775,198
	Total			29,690,832		1,911,171	
	Total tangible capital assets	2008	=	32,778,940			31,043,453
	Total accumulated amortization of tangible capital assets	2009			=	3,156,763	2,538,668

***** Generic item

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

Attached Schedule with Total

Tangible capital property – GIFI code 1900 – Other tangible capital assets

Title Tangible capital property – GIFI code 1900 – Other tangible capital assets

Description	Operator (Note)	Amount
Transformer stations		6,714,868 00
Distribution stations	+	
Distributions Overhead lines	+	6,400,719 00
Distribution Transformers	+	3,574,067 00
Distribution meters	+	1,855,746 00
Distributions Underground lines	+	9,650,933 00
	+	
	Total	28,196,333 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

GIFI code 1901 – Accumulated amortization of other tangible capital assets

Title GIFI code 1901 – Accumulated amortization of other tangible capital assets

Description	Operator (Note)	Amount	
Transformer stations		325,798	00
Distribution stations	+		
Distribution Overhead lines	+	72,810	00
Distribution Transformers	+	104,716	00
Distribution meters	+	531,797	00
Distribution Underground lines	+	876,050	00
	+		
	Total	1,911,171	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI		Current year	Prior year
Long-term investments					
	* Long-term investments	2300		100	100
	Long-term investments		+	100	100
Other long-term assets					
	Future (deferred) income taxes	2421		1,070,302	
	Other deferred items/charges	2424		1,068,620	1,958,094
	Other long-term assets		+	2,138,922	1,958,094
	Total long-term assets	2589	=	2,139,022	1,958,194

***** Generic item

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

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI		Current year	Prior year
	* Bank overdraft	2600	+		424,343
	Amounts payable and accrued liabilities				
	* Amounts payable and accrued liabilities	2620		4,354,088	4,049,300
	Amounts payable and accrued liabilities		+	4,354,088	4,049,300
	* Taxes payable	2680	+	374,929	
	Short-term debt				
	Loans from Canadian banks	2701		1,915,574	2,410,504
	Short-term debt		+	1,915,574	2,410,504
	* Deferred income	2770	+	128,368	128,368
	Due to related parties				
	* Due to related parties	2860		484,499	368,586
	Due to related parties		+	484,499	368,586
	Other current liabilities				
	Deposits received	2961		377,590	236,840
	Other current liabilities		+	377,590	236,840
	Total current liabilities	3139	=	7,635,048	7,617,941

***** Generic item

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

Attached Schedule with Total

GIFI code 2701 – Loans from Canadian banks

Title GIFI code 2701 – Loans from Canadian banks

Description	Operator (Note)	Amount
Current portion of LT debt		1,889,234 00
Derivatives	+	26,340 00
	+	
	Total	1,915,574 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI		Current year	Prior year
Long-term debt					
	* Long-term debt	3140		7,005,567	7,873,375
	Long-term debt		+	7,005,567	7,873,375
	* Deferred income	3220	+	3,094,653	2,840,351
	* Future (deferred) income taxes	3240	+	1,073,186	
Other long-term liabilities					
	* Other long-term liabilities	3320		2,629,587	2,834,232
	Deferred revenue from incomplete contracts	3328			74,948
	Other long-term liabilities		+	2,629,587	2,909,180
	Total long-term liabilities	3450	=	13,802,993	13,622,906

***** Generic item

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

Attached Schedule with Total

GIFI code 3140 – Long-term debt

Title GIFI code 3140 – Long-term debt

Description	Operator (Note)	Amount	
Long-Term debt		7,005,567	00
	+		
	+		
	Total	7,005,567	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

GIFI code 3320 – Other long-term liabilities

Title GIFI code 3320 – Other long-term liabilities

Description	Operator (Note)	Amount	
Customer Deposits			
Employee Future Benefits	+	478,800	00
Other Regulatory liabilities	+		
Regulatory balances	+	2,150,787	00
	+		
	Total	2,629,587	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI		Current year	Prior year
	* Common shares	3500	+	2,632,307	2,632,307
	Contributed and other surplus				
	* Contributed and other surplus	3540		4,269,026	4,269,026
	Contributed and other surplus		+	4,269,026	4,269,026
	* Accumulated other comprehensive income	3580	+	-36,584	70,873
	* Retained earnings/deficit	3600	+	9,708,384	8,823,929
	Total shareholder equity	3620	=	16,573,133	15,796,135

***** Generic item

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

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI		Current year	Prior year
	* Retained earnings/deficit – start	3660	+	8,823,929	8,314,935
	* Net income/loss	3680	+	1,384,455	1,008,994
	Dividends declared				
	* Dividends declared	3700		500,000	500,000
	Dividends declared		–	500,000	500,000
	Retained earnings/deficit – end	3849	=	9,708,384	8,823,929

***** 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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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	+	24,198,363	26,677,590
	Cost of sales	8518	–	23,229,633	26,794,215
	Gross profit/loss	8519	=	968,730	-116,625
	Cost of sales	8518	+	23,229,633	26,794,215
	Total operating expenses	9367	+	4,123,805	4,119,962
	Total expenses (mandatory field)	9368	=	27,353,438	30,914,177
	Total revenue (mandatory field)	8299	+	29,641,101	31,982,190
	Total expenses (mandatory field)	9368	–	27,353,438	30,914,177
	Net non-farming income	9369	=	2,287,663	1,068,013
	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	=	2,287,663	1,068,013
	Total other comprehensive income	9998	=	-107,457	
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	536,093	-269,677
	Current income taxes	9990	–	367,115	328,696
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+	-107,457	
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	1,276,998	1,008,994

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

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI		Current year	Prior year
	* Trade sales of goods and services	8000	+	24,198,363	26,677,590
	Total sales of goods and services	8089	=	24,198,363	26,677,590
Investment revenue					
	* Investment revenue	8090		45,799	56,869
	Investment revenue		+	45,799	56,869
Other revenue					
	* Other revenue	8230		5,396,939	5,247,731
	Other revenue		+	5,396,939	5,247,731
	Total revenue	8299	=	29,641,101	31,982,190

***** Generic item

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

Attached Schedule with Total

GIFI code 9270 – Amount – Other expenses

Title GIFI code 9270 – Amount – Other expenses

Description	Operator (Note)	Amount
Distribution operations		1,114,974 00
	+	
	+	
	Total	1,114,974 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

GIFI code 8230 – Amount – Other revenue

Title GIFI code 8230 – Amount – Other revenue

Description	Operator (Note)	Amount	
Distribution Revenue		5,019,210	00
Other Operating Revenue	+	377,729	00
	+		
	+		
	Total	5,396,939	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Cost of Sales

SCHEDULE 125

Form identifier 8518

Account	Description	GIFI		Current year	Prior year
	* Purchases/cost of materials	8320	+	23,229,633	26,794,215
	Cost of sales	8518	=	23,229,633	26,794,215

***** Generic item

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

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI		Current year	Prior year
	* Amortization of tangible assets	8670	+	1,010,972	996,009
	Interest and bank charges				
	* Interest and bank charges	8710		463,127	482,933
	Interest and bank charges		+	463,127	482,933
	Other expenses				
	* Other expenses	9270		1,114,974	1,217,324
	Selling expenses	9273		573,154	547,188
	General and administrative expenses	9284		961,578	876,508
	Other expenses		+	2,649,706	2,641,020
	Total operating expenses	9367	=	4,123,805	4,119,962

***** Generic item

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

Other comprehensive income

SCHEDULE 125

Form identifier 9998

Account	Description	GIFI		Current year	Prior year
	Defined benefit gains/losses	7002	+	-146,200	
	Income tax relating to components of other comprehensive income	7010	–	-38,743	
	Total other comprehensive income	9998	=	-107,457	

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

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Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- 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 Yes [X] No [ ]

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

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

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

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

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

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

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

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

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

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

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- 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*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 . . . . . 1,276,998 A

Add:

Provision for income taxes – current	101	367,115	
Amortization of tangible assets	104	1,103,773	
Loss on disposal of assets	111	23,657	
Non-deductible meals and entertainment expenses	121	1,789	
Reserves from financial statements – balance at the end of the year	126	574,218	
Subtotal of additions		2,070,552	2,070,552

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	9,973
2	Customer Deposits 12(1)(a)	377,590
3	capital contributions received 12(1)(x)	319,954
4	Regulatory adjustment	769,773
	Total of column 2	1,477,290

Total of column 2	296	1,477,290	
Subtotal of other additions	199	1,477,290	1,477,290
Total additions	500	3,547,842	3,547,842 B

Amount A **plus** amount B . . . . . 4,824,840 C

Deduct:

Capital cost allowance from Schedule 8	403	1,806,061	
Reserves from financial statements – balance at the beginning of the year	414	425,135	
Subtotal of deductions		2,231,196	2,231,196

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Unrealized gain on derivatives	46,137
2	Customer Deposits 20(1)(m)	377,590
3	Amortization of deferred capital contributions	65,652
4	capital contributions received 13(7.4)	319,954
5	Tax included in net movement in regulatory balances	323,875
6	Tax on EFB	38,743
	Total of column 2	1,171,951

Total of column 2 ▶ 396 1,171,951

Subtotal of other deductions	499	1,171,951 ▶	1,171,951	
Total deductions	510	3,403,147 ▶	3,403,147	D
Net income (loss) for income tax purposes (amount C **minus** amount D)			1,421,693	E

Enter amount E on line 300 of the T2 return.

T2 SCH 1 E (17)

Canada

Attached Schedule with Total

Line 295 – Amount

Title Line 295 – Amount

Description	Operator (Note)	Amount	
Regulatory adjustment		407,400	00
Regulatory correction PY	+	362,373	00
	+		
	Total	769,773	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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. . . . . ☐

Ontario

A		
X	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	
X	Ontario co-operative education tax credit	
X	Ontario apprenticeship training tax credit	9,973
	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

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Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees;
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits 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 made before March 22, 2017.
- 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. Provincial food donation tax credits must be applied in the current tax year.
- 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).
- Subsection 110.1(1.2) 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.
- A gift of medicine made before March 22, 2017 to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File a 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)
Subtotal	
Add: Total donations of less than $100 each	
Total donations in current tax year	

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		400	1A	400	400
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240	400		400	400
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year Include on line 112 of Schedule 1 *Net Income (Loss) for Income Tax Purposes*	210				
Subtotal (line 250 **plus** line 210)			1B		
Subtotal (line 240 **plus** amount 1B)		400	1C	400	400
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		400	1D	400	400
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) Enter on line 311 of the T2 return	260	400		400	400
Charitable donations closing balance (amount 1D **minus** line 260)	280				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in line 260 (for donations made after December 31, 2013) . . . **262** ________

Ontario community food program donation tax credit for farmers (line 262 **multiplied** by 25 %) . . . ________ 1E

Enter amount 1E 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 amount 1E. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in line 260 (for donations made after December 31, 2015) . . . **263** ________

Nova Scotia food bank tax credit for farmers (line 263 **multiplied** by 25 %) . . . ________ 1F

Enter amount 1F on line 570 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 1F. For more information, see section 50A of the Nova Scotia *Income Tax Act*.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in line 260 (for donations made after February 16, 2016 and before January 1, 2019) . . . **265** ________

British Columbia farmers' food donation tax credit (line 265 **multiplied** by 25 %) . . . ________ 1G

Enter amount 1G on line 683 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 1G. For more information, see section 20.1 of the British Columbia *Income Tax Act*.

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

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2016-12-31			
2nd prior year	2015-12-31	400	400	400
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)		400	400	400

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %		1,066,270	2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, **less** outlays and expenses**			2B
Capital cost**			2C
Amount 2B or 2C, whichever is less	235		
Line 230 or 235, whichever is less			2D
Subtotal (**add** lines 225, 227 and amount 2D)			2E
Amount 2E **multiplied** by 25 %			2F
Subtotal (amount 2A **plus** amount 2F)		1,066,270	2G
Maximum allowable deduction for charitable donations (amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is less)		400	2H

* 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

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year	410				
Include on line 112 of Schedule 1					
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income	460				
Enter on line 313 of the T2 return					
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

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

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2016-12-31			
2nd prior year	2015-12-31			
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year		.	4A		
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 (amount 4A **minus** line 539)	540				
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 on line 112 of Schedule 1)	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include on line 112 of Schedule 1)	520				
Subtotal (**add** lines 550, 510, and 520)			4B		
Subtotal (line 540 **plus** amount 4B)			4C		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	580				

* For federal and Alberta tax purposes, donations and 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 tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts 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	2016-12-31			
2nd prior year	2015-12-31			
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year*	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

***** For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

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			5A		
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 (amount 5A **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:

a is the **lesser** of line 601 and amount 5C

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)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income Enter on line 315 of the T2 return	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2016-12-31			
2nd prior year	2015-12-31			
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2016-12-31	
2nd prior year	2015-12-31	
3rd prior year	2014-12-31	
4th prior year	2013-12-31	
5th prior year	2012-12-31	
6th prior year*	2011-12-31	
7th prior year	2010-12-31	
8th prior year	2009-12-31	
9th prior year	2008-12-31	
10th prior year	2007-12-31	
11th prior year	2006-12-31	
12th prior year	2005-12-31	
13th prior year	2004-12-31	
14th prior year	2003-12-31	
15th prior year	2002-12-31	
16th prior year	2001-12-31	
17th prior year	2001-09-30	
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Corporations must use this schedule 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),(a.1), (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, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to 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 dividends under section 83 230
1			2			

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 Dividends 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 Part IV tax before deductions. Dividends (from column G) received **before** 2016 **multiplied** by 33 1/3%note 3 270	K Part IV tax before deductions. Dividends received **after** 2015 (column F **minus** column G) **multiplied** by 38 1/3%note 4 275
1								
	Total of column F (include this 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 according to the date received. 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: column I **divided** by column H **multiplied** by the result of column F **minus** column G.

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 depending on your tax year start date . . . . . . ______ 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 according to 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	NIAGARA-ON-THE-LAKE ENERGY INC.	86376 1490 RC0001	2017-12-31	500,000	
2					
			Total of column R	500,000	

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

Eligible dividends (included in line 450) . . . . . 450a ______

Total taxable dividends paid in the tax year that qualify for a dividend refund
(total of column R **plus** line 450) 460 500,000

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) 500,000

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

Total dividends paid in the tax year 500 500,000

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) 500,000 T

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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** Yes [ ] No [X]

1 Class number * 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) (see note 1 below) 203	4 Adjustments and transfers (see note 2 below) 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) (see note3 below) 211	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below) 212	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below) 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) (see note 6 below) 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1. 1	Dist'n Plant >87	4,370,164			0		4,370,164	4	0	0	174,807	4,195,357
2. 2	Dist'n Plant < 88	1,967,981			0		1,967,981	6	0	0	118,079	1,849,902
3. 1	Transformers > 87	3,365,049			0		3,365,049	4	0	0	134,602	3,230,447
4. 2	Transformers < 88	378,023			0		378,023	6	0	0	22,681	355,342
5. 1	Meters > 87	154,868			0		154,868	4	0	0	6,195	148,673
6. 2	Meters < 88	64,237			0		64,237	6	0	0	3,854	60,383
7. 1	Buildings	461,121			0		461,121	4	0	0	18,445	442,676
8. 2	Dist'n Stations	178,380			0		178,380	6	0	0	10,703	167,677
9. 8	Office equipment	105,631			0		105,631	20	0	0	21,126	84,505
10. 8	Stores/Comm/Supe etc	50,865			0		50,865	20	0	0	10,173	40,692
11. 10	Vehicles, trailers, transport equip	39,696	45,650		0	22,825	62,521	30	0	0	18,756	66,590
12. 10	Motor Vehicles	87,466			0		87,466	30	0	0	26,240	61,226
13. 8	Inventory spare part	9,154			0		9,154	20	0	0	1,831	7,323
14. 17	Telephone System	9,693			0		9,693	8	0	0	775	8,918
15. 8	Lighting	201			0		201	20	0	0	40	161
16. 17	Paving	8,415			0		8,415	8	0	0	673	7,742
17. 6	Fencing	2,408			0		2,408	10	0	0	241	2,167
18. 8	PCB Storage	334			0		334	20	0	0	67	267
19. 1	SCADA system	173,250			0		173,250	4	0	0	6,930	166,320
20. 2	Invent Dist'n Meter	26,863			0		26,863	6	0	0	1,612	25,251
21. 45	Computer hardware - new	1,466			0		1,466	45	0	0	660	806
22. 47	Distribution assets after Feb 22,	12,436,423	905,120		503,386	200,867	12,637,290	8	0	0	1,010,983	11,827,174
23. 50	Computer Hardware	132,068	17,583		0	8,792	140,859	55	0	0	77,472	72,179

	1 Class number *	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below)	4 Adjustments and transfers (see note 2 below)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note3 below)	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below)	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) (see note 6 below)	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
24.	1b	Buildings	75,388			0		75,388	6	0	0	4,523	70,865
25.	8	Smart grid	245,449	204,754		0	102,377	347,826	20	0	0	69,565	380,638
26.	14.1		7,902			0		7,902	5	0	0	553	7,349
27.	12	Computer Software		128,951		0	64,476	64,475	100	0	0	64,475	64,476
		Totals	24,352,495	1,302,058		503,386	399,337	24,751,830				1,806,061	23,345,106

* 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%).

Note 1. 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).

Note 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.

Note 3. 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*.

Note 4. 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.

Note 5. For every entry in column 9, "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.

Note 6. 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 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	NIAGARA-ON-THE-LAKE ENERGY IN		86376 1490 RC0001	1					7,054,844
2.	Energy Services Niagara Inc		86360 6125 RC0001	3					143,511
3.	Town of Niagara-on-the-Lake		NR	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	EMPLOYEE FUTURE BENEFITS	330,064		478,800	330,064	478,800
2	AFDA	95,071		95,418	95,071	95,418
3						
	Reserves from Part 2 of Schedule 13					
	Totals	425,135		574,218	425,135	574,218

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	154,013	490251			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule . . . . 154,013 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 154,013 B

Deductible amount for contributions to deferred income plans
(amount A **minus** amount B) (if negative, enter "0") C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer
(EPSP only)

T2 SCH 15 (13)

Canada

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* not to be associated for purposes of the small business deduction.

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

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

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

Column 4: Enter the business limit for the year of each corporation in the associated group.

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . . . 050 Year 2017

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . . 075 1 Yes [ ] 2 No [X]

	1 Names of associated corporations 100	2 Business number of associated corporations 200	3 Association code 300	4 Business limit for the year before the allocation $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400	
1	NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	1	500,000	100.0000	500,000	
2	NIAGARA-ON-THE-LAKE ENERGY INC.	86376 1490 RC0001	1	500,000			
3	Energy Services Niagara Inc	86360 6125 RC0001	1	500,000			
4	Town of Niagara-on-the-Lake	NR	4				
				Total	100.0000	500,000	A

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

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (D - $10,000,000). Details of this formula and variable D are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.

T2 SCH 23 E (15)

Canada

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2016-12-31				
2015-12-31	2,000			2,000
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				*
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
2001-09-30				
				*
Total	2,000			2,000

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	574,218		
Capital stock (or members' contributions if incorporated without share capital)	103	2,632,307		
Retained earnings	104	9,708,384		
Contributed surplus	105			
Any other surpluses	106	4,269,026		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	9,769,927		
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)		26,953,862 ▶	26,953,862	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)		26,953,862	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	26,953,862	

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	100
A loan or advance to another corporation (other than a financial institution)	402	427,037
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	427,137

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)		26,953,862	C
Deduct: Investment allowance for the year (line 490)		427,137	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	26,526,725	

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)	26,526,725	x	Taxable income earned in Canada **610** / Taxable income	1,000 / 1,000	=	**Taxable capital employed in Canada** **690** 26,526,725

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 Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount	
Current portion of LT debt		1,889,234	00
Long-term portion of LT debt	+	7,005,567	00
Customer Deposits	+	377,590	00
Due to town of ENSI	+	13,037	00
Due to town of NOTL (acct 2205 total)	+	484,499	00
Line of credit	+		
	+		
	+		
	Total	9,769,927	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Description	Operator (Note)	Amount	
Special Deposits		377,590	00
Due from NOTL Energy Inc	+	22,923	00
Prepaids per BS	+	26,524	00
	+		
	Total	427,037	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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	Operator (Note)	Amount	
Sch 13S reserves		574,218	00
	+		
	+		
	Total	574,218	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
		Provide only one number per shareholder				
	100	200	300	350	400	500
1	Niagara-on-the-Lake Energy Inc.	86376 1490 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada

Canada Revenue Agency / Agence du revenu du Canada

Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

On: 2017-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 *Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☒ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year			100	5,875,166 A
Taxable income for the year (DICs enter "0") *	110	B		
Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less * — 130				
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income * — 140				
Subtotal (line 130 **plus** line 140) ►		C		
Income taxable at the general corporate rate (amount B **minus** amount C) (if negative enter "0")	150			
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))			190	D
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (line 200 **plus** line 210)		►		E
Becoming a CCPC (amount W5 in Part 4)	220			
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4)	230			
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)	290	►		F
Subtotal (**add** amounts A, D, E, and F)				5,875,166 G
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)				
Subtotal (line 300 **minus** line 310)		►		H
GRIP before adjustment for specified future tax consequences (amount G **minus** amount H) (amount can be negative)			490	5,875,166
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)			560	
GRIP at the end of the tax year (line 490 **minus** line 560)			590	5,875,166

Enter this amount on line 160 of Schedule 55.

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

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2016-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ______ B1

Aggregate investment income (line 440 of the T2 return) . . . . ______ C1

Subtotal (amount B1 **plus** amount C1) ______ ► ______ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") ______ ► ______ E1

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ______ G1

Aggregate investment income (line 440 of the T2 return) . . . . ______ H1

Subtotal (amount G1 **plus** amount H1) ______ ► ______ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ______ ► ______ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") ______ K1

GRIP adjustment for specified future tax consequences to the first previous tax year

(amount K1 **multiplied** by 0.72) . . . . **500** ______

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2015-12-31

Taxable income before specified future tax consequences from the current tax year A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less B2

Aggregate investment income (line 440 of the T2 return) C2

Subtotal (amount B2 **plus** amount C2) ► D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") ► E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less G2

Aggregate investment income (line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) ► I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ► J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2014-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ________ A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ________ B3

Aggregate investment income (line 440 of the T2 return) . . . . ________ C3

Subtotal (amount B3 **plus** amount C3) ________ ▶ ________ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") ________ ▶ ________ E3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ________ F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ________ G3

Aggregate investment income (line 440 of the T2 return) . . . . ________ H3

Subtotal (amount G3 **plus** amount H3) ________ ▶ ________ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ________ ▶ ________ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ________ K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) . . . . **540** ________

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ________ L3

Enter amount L3 on line 560 in part 1.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year				A4
Eligible dividends paid by the corporation in its last tax year		B4		
Excessive eligible dividend designations made by the corporation in its last tax year		C4		
Subtotal (amount B4 **minus** amount C4)		►		D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4)				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year.The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ______ C5

Net capital losses . . . . ______ D5

Farm losses . . . . ______ E5

Restricted farm losses . . . . ______ F5

Limited partnership losses . . . . ______ G5

Subtotal (**add** amounts C5 to G5) ______ ► ______ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ______ I5

Net capital losses . . . . ______ J5

Farm losses . . . . ______ K5

Restricted farm losses . . . . ______ L5

Limited partnership losses . . . . ______ M5

Subtotal (**add** amounts I5 to M5) ______ ► ______ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ______ ► ______ O5

Subtotal (**add** amounts A5, B5, and O5) ______ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ R5

All the corporation's reserves deducted in its previous/last tax year . . . . ______ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ U5

Subtotal (**add** amounts Q5 to U5) ______ ► ______ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . ______ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		500,000		
Total taxable dividends paid in the tax year	100	500,000		
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		5,875,166	B
Excessive eligible dividend designation (line 150 **minus** line 160)				C
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	180			D
Subtotal (amount C **minus** amount D)				E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190			F

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

Part 2 – Other corporations

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

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

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
NIAGARA-ON-THE-LAKE HYDRO INC.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-07-01	1424833

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

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
8	Henegan Road	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 460

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Virgil	ON	CA	L0S 1T0

Part 3 – Change identifier

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

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

Part 4 – Certification

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

450 Klassen (Last name) **451** Jeffrey (First name)

454 Tyler , (Middle name(s))

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

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

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

Part 5 – Mailing address

500 2 Please enter one of the following numbers in this box:

1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 1 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Syed	**705** First name: Hassan	**710** Middle name(s):

720 Street number: 541	**730** Street name/Rural route/Lot and Concession number: Winston Road	**740** Suite number: 36

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Grimsby	**770** Province/state: ON	**780** Country: CA	**790** Postal/zip code: L3M 0C5

Director

Is this director a resident Canadian? . . . **795** 1 Yes ☐ 2 No ☐

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day:

797 Date ceased, if applicable Year Month Day:

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846	2016-05-11	847	2017-05-26
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Marouf	705 First name: Kazi	710 Middle name(s):
720 Street number: 570	730 Street name/Rural route/Lot and Concession number: Ferndale Avenue	740 Suite number:

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Fort Erie	770 Province/state: ON	780 Country: CA	790 Postal/zip code: L2A 6E3

Director

Is this director a resident Canadian? . . . 795 **1** Yes ☐ **2** No ☐

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day

797 Date ceased, if applicable Year Month Day

Officer information

Officer		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846	2017-05-11	847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . NIAGARA-ON-THE-LAKE HYDRO INC.

Taxation Year . . . . 2017-01-01 to 2017-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . .

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		1,421,693
Taxable income		
Donations		
Calculation of income from an active business carried on in Canada		1,421,693
Dividends paid		500,000
Dividends paid – Regular	500,000	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		5,875,166
Balance of the general rate income pool at the end of the year		5,875,166
Part I tax (base amount)		

Summary of federal carryforward/carryback information

Carryforward balances

Investment tax credits	2,000
Capital dividend amount	74,366
Financial statement reserve	574,218

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	1,421,693		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

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

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

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
NIAGARA-ON-THE-LAKE HYDRO INC.	26,853,754	26,853,754	26,526,725	26,526,725
NIAGARA-ON-THE-LAKE ENERGY INC.	8,185	8,185	5,686	5,686
Energy Services Niagara Inc	1,692,031	1,692,031	481,838	481,838
Town of Niagara-on-the-Lake				
Total	28,553,970	28,553,970	27,014,249	27,014,249

Québec

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

Ontario

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

Other provinces

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

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Net income	1,421,693	-18,286	-383,781	-51,083	1,527,596
Taxable income					1,522,076
Active business income	1,421,693				1,527,596
Dividends paid	500,000	500,000	500,000	250,000	
Dividends paid – Regular	500,000	500,000	500,000	250,000	
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	5,875,166	5,889,299	6,165,621	6,202,401	5,106,506
GRIP – end of the year	5,875,166	5,875,166	5,889,299	6,165,621	6,202,401
Donations			400		5,520
Balance due/refund (-)		-9,973	-100,000	-357,237	-136,179
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Taxable income before loss carrybacks	N/A	N/A			1,522,076
Non-capital losses	N/A	N/A			19,629
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			19,629
Adjusted taxable income after loss carrybacks	N/A	N/A			1,502,447

Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Adjusted taxable income before current year loss carrybacks*	N/A				N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A				N/A

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

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

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

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

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Part I					199,470
Part IV					
Part III.1					
Other*					

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

Credits against part I tax

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit					28,841
Abatement/other*					350,078

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

Refunds/credits

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
ITC refund					
Dividend refund				19,345	
Instalments			90,000	327,892	464,071
Other*		9,973	10,000	10,000	

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

Ontario

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Net income	1,421,693	-18,286	-383,781	-51,083	1,527,596
Taxable income					1,522,076
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income					1,522,076
Surtax					
Income tax payable before deduction					175,039
Income tax deductions /credits					41,795
Net income tax payable					133,244
Taxable capital					
Capital tax payable					
Total tax payable*					133,244
Instalments and refundable credits		9,973	10,000	10,000	4,822
Balance due/refund**		-9,973	-10,000	-10,000	128,422

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

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

KPMG LLP
Commerce Place
21 King Street West Suite 700
Hamilton, ON L8P 4W7
Tel 905-523-8200
Fax 905-523-2222
www.kpmg.ca

PRIVATE AND CONFIDENTIAL

Mr. Timothy Curtis
Niagara-on-the-Lake Hydro Inc.
8 Henegan Road
Virgil ON L0S 1T0

June 7, 2018

Dear Mr. Curtis:

Corporate Income Tax Returns

We have enclosed the following income tax returns of Niagara-on-the-Lake Hydro Inc. (the "Company") for the year ended **December 31, 2017**:

- ☑ T2 – *Corporation Income Tax Return* – EXEMPT
- ☑ T183 *Information Return For Corporations Filing Electronically* (Federal – to be e-filed with CRA) - Exempt
- ☑ T2 – *Corporation Income Tax Return* (to be filed with Ministry of Finance) – PILS
- ☑ Instalment Schedule
- ☑ One copy of each return for your files

We have prepared these returns based on our understanding of the information provided to us by the Company and we recommend that you review the returns to ensure that all of the relevant facts are properly disclosed. When you are satisfied that the returns are in order, one copy of each return should be retained for your records (the copy stamped "Client Copy") and the remaining copies should be completed by an authorized signing officer of the Company and filed as described below.

DUE DATE OF RETURNS AND PAYMENTS

All returns must be filed with the respective taxing authorities by the due date if late filing penalties are to be avoided. We suggest that the returns be sent by registered mail and that the mailing receipt be kept on file in order to have evidence of the date of filing.

Any balances owing must be remitted by the due date or as soon as possible if interest charges are to be minimized.

T2 – *CORPORATION INCOME TAX RETURN* (FEDERAL) CRA COPY - EXEMPT

Signature

- The Form T183CORP - *Information Return for Corporations Filing Electronically* should be completed and signed.

Payment

No amount is payable for the **December 31, 2017** taxation year.

Mailing

- One copy of the signed Form T183CORP should be returned to us in the self-addressed envelope no later than **June 30, 2018** in order to have the Company's corporate income tax return filed on or before the due date for filing. Alternatively, you can fax it to **(905) 523-2222.**

T2 – *CORPORATION INCOME TAX RETURN* - MINISTRY OF FINANCE

Signature

- Form T2 – *Corporate Income Tax Return*, the certification section at the bottom of page 9 should be completed and signed.

Payment

A cheque in the amount of $**374,643** should be attached for the **December 31, 2017** taxation year. Payments should be made in Canadian funds and be made payable to the Minister of Finance. Your business number should be printed on the back of the cheque or money order.

Mailing

- One copy of the *T2 Corporate Income Tax Return* must be received by The Ministry of Finance, HYDRO PIL DIVISION, P.O. Box 620, 33 King Street West, Oshawa, Ontario, L1H 8E9 no later than **June 30, 2018**. The Company's account number should be recorded on each of the paper documents submitted.

NOTICES OF ASSESSMENT

If your Company receives a Notice of Assessment that does not agree with the returns prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only 90 days (180 days in the case of Ontario) from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

INSTALMENTS

We have prepared and enclose an estimate of PILS tax instalments as applicable for the Company for the **2018** taxation year. The amounts were computed with reference to the Company's taxable income, taxable capital and taxes payable for prior years. If during the year it is evident that the taxable income or taxable capital for the current year will be substantially less than for the previous taxation year, your instalments may be recalculated. Please call your KPMG advisor in order that we may determine what course of action should be taken.

In order to avoid interest charges, the Ministry of Finance must receive the instalment payments no later than the date indicated on the attached schedule.

If you have any questions concerning these returns, or if we may be of any further assistance, please do not hesitate to contact us.

Yours truly,

Tony Italiano
Partner
905-523-2227

Enclosures

APPENDIX

4C

2019

NIAGARA-ON-THE-LAKE HYDRO

COST OF SERVICE RATE APPLICATION

EB-2018-0056

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2018-12-31

Business number 86360 5929 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/my-cra-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to Ministry of Finance, HYDRO PILS DIVISION, 33 King St, PO Box 620, Oshawa ON L1H 8E9

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2018-01-31	31,221				31,221
2018-02-28	31,221				31,221
2018-03-31	31,221				31,221
2018-04-30	31,221				31,221
2018-05-31	31,221				31,221
2018-06-30	31,221				31,221
2018-07-31	31,221				31,221
2018-08-31	31,221				31,221
2018-09-30	31,221				31,221
2018-10-31	31,221				31,221
2018-11-30	31,221				31,221
2018-12-31	31,212				31,212
Totals	374,643				374,643

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 canada.ca/taxes or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business number (BN) 001 86360 5929 RC0001

Corporation's name
002 NIAGARA-ON-THE-LAKE HYDRO 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
012 8 Henegan Road
City: 015 Virgil
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal or ZIP code: 018 L0S 1T0

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 P.O. Box 460
023 8 Henegan Road
City: 025 Virgil
Province, territory, or state: 026 ON
Country (other than Canada): 027 CA
Postal or ZIP code: 028 L0S 1T0

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
032
City: 035
Province, territory, or state: 036
Country (other than Canada): 037
Postal or ZIP code: 038

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

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 2017-01-01
Tax year-end: 061 Year Month Day 2017-12-31

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.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over CAN$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 a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	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		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	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation 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)

	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	Electrical Distribution	285	99.000 %
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	Amount		
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		1,421,693	A
Deduct:				
Charitable donations from Schedule 2	311	400		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, 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		400 ▶	400	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			1,421,293	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		1,421,293	
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)			1,421,293	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 8.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	1,421,693	A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax	405	1,421,293	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 *** 41,746 D / 11,250 = 1,855,378 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) (from line 515 below)			G
Amount F **minus** amount G	427		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, 2018 365 / Number of days in the tax year 365) x 17.5 % = ______ 1

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year after December 31, 2017, and before January 1, 2019 ______ / Number of days in the tax year 365) x 18 % = ______ 2

Total of amounts 1 and 2 (enter amount I at amount J on page 7) 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)

Applicable to tax years that begin after March 21, 2016

Except that, if the tax year of your corporation started before **and** ends on or after March 22, 2016 and in the tax year of a CCPC, you can make an assignment of business limit to that other CCPC if its tax year started after March 21, 2016.

	J1 Name of corporation receiving the income and assigned amount	J Business number of the corporation receiving the assigned amount 490	K Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column J [3] 500	L Business limit assigned to corporation identified in column J [4] 505
1.				

Total 510 ______ Total 515 ______

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 to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column K in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425.

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)			1,421,293	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B		
Amount 13K 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 427 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")			1,421,293	I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %			184,768	J

Enter amount J on line 638 on page 7.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		L		
Amount 13K 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 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440**		x 30 2/3 % =				A
Foreign non-business income tax credit from line 632 on page 7				B		
Deduct: Foreign investment income from Schedule 7 . . . . **445**		x 8 % =		C		
Subtotal (amount B **minus** amount C) (if negative, enter "0")				▶		D
Amount A **minus** amount D (if negative, enter "0")						E
Taxable income from line 360 on page 3			1,421,293	F		
Deduct: Amount from line 400, 405, 410, or 427 on page 4, whichever is the least		G				
Foreign non-business income tax credit from line 632 on page 7	x 75 / 29 =	H				
Foreign business income tax credit from line 636 on page 7 . .	x 4 =	I				
Subtotal (total of amounts G, H and I)		▶		J		
Subtotal (amount F **minus** amount J) (if negative, enter "0")			1,421,293	K x 30 2/3 % =	435,863	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8)					211,194	M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**						N

Refundable dividend tax on hand

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

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3	500,000	x 38 1/3 % =	191,667	S
Refundable dividend tax on hand at the end of the tax year from line 485 above				T
Dividend refund – Amount S or T, whichever is less				U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550	540,091	A
Additional tax on personal services business income (section 123.5)					
Taxable income from a personal services business	555	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	1,421,293	E			
Deduct: Amount from line 400, 405, 410, or 427 on page 4, whichever is the least		F			
Net amount (amount E **minus** amount F)	1,421,293	▶	1,421,293	G	
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G			604		H
Subtotal (**add** amounts A, B, C, and H)				540,091	I

Deduct:

Small business deduction from line 430 on page 4			J
Federal tax abatement	608	142,129	
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	184,768	
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	2,000	
Subtotal		328,897 ▶	328,897 K

Part I tax payable – Amount I **minus** amount K .... 211,194 L

Enter amount L on line 700 on page 8.

Privacy statement

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

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 7	700	211,194
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		211,194

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	163,449
Total tax payable	770	374,643 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	B

Refund code 894 Overpayment

Balance (amount A **minus** amount B) 374,643

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 374,643

For information on how to make your payment, go to canada.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 A6698

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

Certification

I, 950 Curtis (Last name) 951 Timothy (First name) 954 President (Position, office, or rank),

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

955 2018-06-07 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (905) 468-4235 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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	6,249,975	6,574,003
	Total tangible capital assets	2008	+	32,778,940	31,043,453
	Total accumulated amortization of tangible capital assets	2009	–	3,156,763	2,538,668
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	2,139,022	1,958,194
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	38,011,174	37,036,982
	Liabilities				
	Total current liabilities	3139	+	7,635,048	7,617,941
	Total long-term liabilities	3450	+	13,802,993	13,622,906
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	21,438,041	21,240,847
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	16,573,133	15,796,135
	Total liabilities and shareholder equity	3640	=	38,011,174	37,036,982
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	9,708,384	8,823,929

***** Generic item

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

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI		Current year	Prior year
	Cash and deposits				
	* Cash and deposits	1000		366,780	
	Cash and deposits		+	366,780	
	Accounts receivable				
	Trade accounts receivable	1062		5,679,259	5,981,259
	Accounts receivable		+	5,679,259	5,981,259
	Inventories				
	* Inventories	1120		167,526	361,700
	Inventories		+	167,526	361,700
	Due from/investment in related parties				
	* Due from/investment in related parties	1400		9,886	9,754
	Due from/investment in related parties		+	9,886	9,754
	Other current assets				
	Taxes recoverable/refundable	1483			137,479
	Prepaid expenses	1484		26,524	83,811
	Other current assets		+	26,524	221,290
	Total current assets	1599	=	6,249,975	6,574,003

***** Generic item

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

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI		Tangible capital assets		Accumulated amortization	Prior year
	Land						
	* Land	1600	+	307,134			307,134
	Total			307,134			
	Buildings						
	* Buildings	1680	+	797,582			747,892
	*Accumulated amortization of buildings	1681			–	72,629	53,268
	Total			797,582		72,629	
	Machinery, equipment, furniture and fixtures						
	* Machinery, equipment, furniture, and fixtures	1740	+	1,983,392			1,715,912
	*Accumulated amortization of machinery, equipment, furniture, and fixtures	1741			–	1,172,963	907,478
	Total			1,983,392		1,172,963	
	Other tangible capital assets						
	* Other tangible capital assets	1900	+	28,196,333			27,497,317
	*Accumulated amortization of other tangible capital assets	1901			–	1,911,171	1,577,922
	Other capital assets under construction	1920	+	1,494,499			775,198
	Total			29,690,832		1,911,171	
	Total tangible capital assets	2008	=	32,778,940			31,043,453
	Total accumulated amortization of tangible capital assets	2009			=	3,156,763	2,538,668

***** Generic item

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

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI		Current year	Prior year
	Long-term investments				
	* Long-term investments	2300		100	100
	Long-term investments		+	100	100
	Other long-term assets				
	Future (deferred) income taxes	2421		1,070,302	
	Other deferred items/charges	2424		1,068,620	1,958,094
	Other long-term assets		+	2,138,922	1,958,094
	Total long-term assets	2589	=	2,139,022	1,958,194

***** Generic item

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

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI		Current year	Prior year
	* Bank overdraft	2600	+		424,343
	Amounts payable and accrued liabilities				
	* Amounts payable and accrued liabilities	2620		4,354,088	4,049,300
	Amounts payable and accrued liabilities		+	4,354,088	4,049,300
	* Taxes payable	2680	+	374,929	
	Short-term debt				
	Loans from Canadian banks	2701		1,915,574	2,410,504
	Short-term debt		+	1,915,574	2,410,504
	* Deferred income	2770	+	128,368	128,368
	Due to related parties				
	* Due to related parties	2860		484,499	368,586
	Due to related parties		+	484,499	368,586
	Other current liabilities				
	Deposits received	2961		377,590	236,840
	Other current liabilities		+	377,590	236,840
	Total current liabilities	3139	=	7,635,048	7,617,941

***** Generic item

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

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI		Current year	Prior year
Long-term debt					
	* Long-term debt	3140		7,005,567	7,873,375
	Long-term debt		+	7,005,567	7,873,375
	* Deferred income	3220	+	3,094,653	2,840,351
	* Future (deferred) income taxes	3240	+	1,073,186	
Other long-term liabilities					
	* Other long-term liabilities	3320		2,629,587	2,834,232
	Deferred revenue from incomplete contracts	3328			74,948
	Other long-term liabilities		+	2,629,587	2,909,180
	Total long-term liabilities	3450	=	13,802,993	13,622,906

***** Generic item

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

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI		Current year	Prior year
	* Common shares	3500	+	2,632,307	2,632,307
	Contributed and other surplus				
	* Contributed and other surplus	3540		4,269,026	4,269,026
	Contributed and other surplus		+	4,269,026	4,269,026
	* Accumulated other comprehensive income	3580	+	-36,584	70,873
	* Retained earnings/deficit	3600	+	9,708,384	8,823,929
	Total shareholder equity	3620	=	16,573,133	15,796,135

***** Generic item

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

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI		Current year	Prior year
	* Retained earnings/deficit – start	3660	+	8,823,929	8,314,935
	* Net income/loss	3680	+	1,384,455	1,008,994

Dividends declared

Account	Description	GIFI		Current year	Prior year
	* Dividends declared	3700		500,000	500,000
	Dividends declared		–	500,000	500,000
	Retained earnings/deficit – end	3849	=	9,708,384	8,823,929

***** 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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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	+	24,198,363	26,677,590
	Cost of sales	8518	–	23,229,633	26,794,215
	Gross profit/loss	8519	=	968,730	-116,625
	Cost of sales	8518	+	23,229,633	26,794,215
	Total operating expenses	9367	+	4,123,805	4,119,962
	Total expenses (mandatory field)	9368	=	27,353,438	30,914,177
	Total revenue (mandatory field)	8299	+	29,641,101	31,982,190
	Total expenses (mandatory field)	9368	–	27,353,438	30,914,177
	Net non-farming income	9369	=	2,287,663	1,068,013
	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	=	2,287,663	1,068,013
	Total other comprehensive income	9998	=	-107,457	
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	536,093	-269,677
	Current income taxes	9990	–	367,115	328,696
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+	-107,457	
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	1,276,998	1,008,994

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

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI		Current year	Prior year
	* Trade sales of goods and services	8000	+	24,198,363	26,677,590
	Total sales of goods and services	8089	=	24,198,363	26,677,590
Investment revenue					
	* Investment revenue	8090		45,799	56,869
	Investment revenue		+	45,799	56,869
Other revenue					
	* Other revenue	8230		5,396,939	5,247,731
	Other revenue		+	5,396,939	5,247,731
	Total revenue	8299	=	29,641,101	31,982,190

***** Generic item

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

Cost of Sales

SCHEDULE 125

Form identifier 8518

Account	Description	GIFI		Current year	Prior year
	* Purchases/cost of materials	8320	+	23,229,633	26,794,215
	Cost of sales	8518	=	23,229,633	26,794,215

***** Generic item

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

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI		Current year	Prior year
	* Amortization of tangible assets	8670	+	1,010,972	996,009
	Interest and bank charges				
	* Interest and bank charges	8710		463,127	482,933
	Interest and bank charges		+	463,127	482,933
	Other expenses				
	* Other expenses	9270		1,114,974	1,217,324
	Selling expenses	9273		573,154	547,188
	General and administrative expenses	9284		961,578	876,508
	Other expenses		+	2,649,706	2,641,020
	Total operating expenses	9367	=	4,123,805	4,119,962

***** Generic item

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

Other comprehensive income

SCHEDULE 125

Form identifier 9998

Account	Description	GIFI		Current year	Prior year
	Defined benefit gains/losses	7002	+	-146,200	
	Income tax relating to components of other comprehensive income	7010	–	-38,743	
	Total other comprehensive income	9998	=	-107,457	

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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- 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

		Yes	No
Does the accountant have a professional designation?	095	X	
Is the accountant connected* with the corporation?	097		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:

		Yes	No
Has the accountant expressed a reservation?	099		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	

		Yes	No
Were notes to the financial statements prepared?	101	X	

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

		Yes	No
Are subsequent events mentioned in the notes?	104		X
Is re-evaluation of asset information mentioned in the notes?	105		X
Is contingent liability information mentioned in the notes?	106	X	
Is information regarding commitments mentioned in the notes?	107	X	
Does the corporation have investments in joint venture(s) or partnership(s)?	108		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** Yes ☐ No ☒

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

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

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . **250** Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year? . . . **255** Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year? . . . **260** Yes ☐ No ☒

Adjustments to opening equity

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

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

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

Assets – lines 1000 to 2599

1000	366,780	1062	5,679,259	1120	167,526
1400	9,886	1484	26,524	1599	6,249,975
1600	307,134	1680	797,582	1681	-72,629
1740	1,983,392	1741	-1,172,963	1900	28,196,333
1901	-1,911,171	1920	1,494,499	2008	32,778,940
2009	-3,156,763	2300	100	2421	1,070,302
2424	1,068,620	2589	2,139,022	2599	38,011,174

Liabilities – lines 2600 to 3499

2620	4,354,088	2680	374,929	2701	1,915,574
2770	128,368	2860	484,499	2961	377,590
3139	7,635,048	3140	7,005,567	3220	3,094,653
3240	1,073,186	3320	2,629,587	3450	13,802,993
3499	21,438,041				

Shareholder equity – lines 3500 to 3640

3500	2,632,307	3540	4,269,026	3580	-36,584
3600	9,708,384	3620	16,573,133	3640	38,011,174

Retained earnings – lines 3660 to 3849

3660	8,823,929	3680	1,384,455	3700	-500,000
3849	9,708,384				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

Description

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7002	-146,200	7010	-38,743

Revenue – lines 8000 to 8299

8000	24,198,363	8089	24,198,363	8090	45,799
8230	5,396,939	8299	29,641,101		

Cost of sales – lines 8300 to 8519

8320	23,229,633	8518	23,229,633	8519	968,730

Operating expenses – lines 8520 to 9369

8670	1,010,972	8710	463,127	9270	1,114,974
9273	573,154	9284	961,578	9367	4,123,805
9368	27,353,438	9369	2,287,663		

Extraordinary items and taxes – lines 9970 to 9999

9970	2,287,663	9985	536,093	9990	367,115
9998	-107,457	9999	1,276,998		

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

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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- 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*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 . . . . . 1,276,998 A

Add:

Provision for income taxes – current	101	367,115	
Amortization of tangible assets	104	1,103,773	
Loss on disposal of assets	111	23,657	
Non-deductible meals and entertainment expenses	121	1,789	
Reserves from financial statements – balance at the end of the year	126	574,218	
Subtotal of additions		2,070,552	2,070,552

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	9,973
2	Customer Deposits 12(1)(a)	377,590
3	capital contributions received 12(1)(x)	319,954
4	Regulatory adjustment	769,773
	Total of column 2	1,477,290

Total of column 2	296	1,477,290	
Subtotal of other additions	199	1,477,290	1,477,290
Total additions	500	3,547,842	3,547,842 B

Amount A **plus** amount B . . . . . 4,824,840 C

Deduct:

Capital cost allowance from Schedule 8	403	1,806,061	
Reserves from financial statements – balance at the beginning of the year	414	425,135	
Subtotal of deductions		2,231,196	2,231,196

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Unrealized gain on derivatives	46,137
2	Customer Deposits 20(1)(m)	377,590
3	Amortization of deferred capital contributions	65,652
4	capital contributions received 13(7.4)	319,954
5	Tax included in net movement in regulatory balances	323,875
6	Tax on EFB	38,743
	Total of column 2	1,171,951

Total of column 2 — 396 — 1,171,951

Subtotal of other deductions	499	1,171,951 ▶	1,171,951
Total deductions	510	3,403,147 ▶	3,403,147 D
Net income (loss) for income tax purposes (amount C **minus** amount D)			1,421,693 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. . . . . ☐

Ontario

A		
X	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	
X	Ontario co-operative education tax credit	
X	Ontario apprenticeship training tax credit	9,973
	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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees;
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits 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 made before March 22, 2017.
- 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. Provincial food donation tax credits must be applied in the current tax year.
- 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).
- Subsection 110.1(1.2) 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.
- A gift of medicine made before March 22, 2017 to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File a 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)
Subtotal	
Add: Total donations of less than $100 each	
Total donations in current tax year	

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		400	1A	400	400
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240	400		400	400
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year Include on line 112 of Schedule 1 *Net Income (Loss) for Income Tax Purposes*	210				
Subtotal (line 250 **plus** line 210)			1B		
Subtotal (line 240 **plus** amount 1B)		400	1C	400	400
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		400	1D	400	400
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) Enter on line 311 of the T2 return	260	400		400	400
Charitable donations closing balance (amount 1D **minus** line 260)	280				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in line 260 (for donations made after December 31, 2013) . . . . . 262 ______

Ontario community food program donation tax credit for farmers (line 262 **multiplied** by 25 %) . . . . . ______ 1E

Enter amount 1E 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 amount 1E. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in line 260 (for donations made after December 31, 2015) . . . . . 263 ______

Nova Scotia food bank tax credit for farmers (line 263 **multiplied** by 25 %) . . . . . ______ 1F

Enter amount 1F on line 570 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 1F. For more information, see section 50A of the Nova Scotia *Income Tax Act*.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in line 260 (for donations made after February 16, 2016 and before January 1, 2019) . . . . . 265 ______

British Columbia farmers' food donation tax credit (line 265 **multiplied** by 25 %) . . . . . ______ 1G

Enter amount 1G on line 683 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 1G. For more information, see section 20.1 of the British Columbia *Income Tax Act*.

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

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2016-12-31			
2nd prior year	2015-12-31	400	400	400
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)		400	400	400

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %				1,066,270 2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **		225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)		227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230			
Proceeds of disposition, **less** outlays and expenses**	2B			
Capital cost**	2C			
Amount 2B or 2C, whichever is less	235			
Line 230 or 235, whichever is less			2D	
Subtotal (**add** lines 225, 227 and amount 2D)			2E	
Amount 2E **multiplied** by 25 %				2F
Subtotal (amount 2A **plus** amount 2F)				1,066,270 2G
Maximum allowable deduction for charitable donations (amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is less)				400 2H

* 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

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year	410				
Include on line 112 of Schedule 1					
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income	460				
Enter on line 313 of the T2 return					
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

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

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2016-12-31			
2nd prior year	2015-12-31			
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			4A		
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 (amount 4A **minus** line 539)	540				
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 on line 112 of Schedule 1)	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include on line 112 of Schedule 1)	520				
Subtotal (**add** lines 550, 510, and 520)			4B		
Subtotal (line 540 **plus** amount 4B)			4C		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	580				

* For federal and Alberta tax purposes, donations and 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 tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts 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	2016-12-31			
2nd prior year	2015-12-31			
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year*	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

***** For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

	Line	Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A		
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 (amount 5A **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

	Line	Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income. Enter on line 315 of the T2 return	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2016-12-31			
2nd prior year	2015-12-31			
3rd prior year	2014-12-31			
4th prior year	2013-12-31			
5th prior year	2012-12-31			
6th prior year*	2011-12-31			
7th prior year	2010-12-31			
8th prior year	2009-12-31			
9th prior year	2008-12-31			
10th prior year	2007-12-31			
11th prior year	2006-12-31			
12th prior year	2005-12-31			
13th prior year	2004-12-31			
14th prior year	2003-12-31			
15th prior year	2002-12-31			
16th prior year	2001-12-31			
17th prior year	2001-09-30			
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2016-12-31	
2nd prior year	2015-12-31	
3rd prior year	2014-12-31	
4th prior year	2013-12-31	
5th prior year	2012-12-31	
6th prior year*	2011-12-31	
7th prior year	2010-12-31	
8th prior year	2009-12-31	
9th prior year	2008-12-31	
10th prior year	2007-12-31	
11th prior year	2006-12-31	
12th prior year	2005-12-31	
13th prior year	2004-12-31	
14th prior year	2003-12-31	
15th prior year	2002-12-31	
16th prior year	2001-12-31	
17th prior year	2001-09-30	
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Corporations must use this schedule 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),(a.1), (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, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to 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 dividends under section 83 230
1			2			

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 Dividends 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 Part IV tax before deductions. Dividends (from column G) received **before** 2016 **multiplied** by 33 1/3%note 3 **270**	K Part IV tax before deductions. Dividends received **after** 2015 (column F **minus** column G) **multiplied** by 38 1/3%note 4 **275**
1								
	Total of column F (include this 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 according to the date received. 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: column I **divided** by column H **multiplied** by the result of column F **minus** column G.

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 depending on your tax year start date . . . . ______ 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 according to 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	NIAGARA-ON-THE-LAKE ENERGY INC.	86376 1490 RC0001	2017-12-31	500,000	
2					

Total of column R 500,000

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

Eligible dividends (included in line 450) . . . . . 450a ____

Total taxable dividends paid in the tax year that qualify for a dividend refund
(total of column R **plus** line 450) **460** 500,000

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) 500,000

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

Total dividends paid in the tax year **500** 500,000

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) 500,000 T

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Use this schedule if, during the tax year, your 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 to 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
1,421,293		1,421,293	163,449

Description	Line	Amount		Total	Ref
Ontario basic income tax (from Schedule 500)	270	163,449			
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)		163,449	►	163,449	5A
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 (total of lines 274 to 277)			►		5B
Gross Ontario tax (amount 5A **plus** amount 5B)				163,449	5C
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				
Ontario non-refundable tax credits (total of lines 404 to 415)			►		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")				163,449	5E
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 5E **minus** line 416) (if negative, enter "0")				163,449	5F
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 5F **minus** the total of lines 418 and 420) (if negative enter "0")				163,449	5G
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)			►		5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				163,449	5I
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				
Ontario refundable tax credits (total of lines 450 to 470)			►		5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter a negative amount) Include this amount on line 255.	290			163,449	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255 163,449

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
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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** Yes [ ] No [X]

	1 Class number * 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) (see note 1 below) 203	4 Adjustments and transfers (see note 2 below) 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) (see note3 below) 211	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below) 212	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below) 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) (see note 6 below) 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1	Dist'n Plant >87	4,370,164			0		4,370,164	4	0	0	174,807	4,195,357
2.	2	Dist'n Plant < 88	1,967,981			0		1,967,981	6	0	0	118,079	1,849,902
3.	1	Transformers > 87	3,365,049			0		3,365,049	4	0	0	134,602	3,230,447
4.	2	Transformers < 88	378,023			0		378,023	6	0	0	22,681	355,342
5.	1	Meters > 87	154,868			0		154,868	4	0	0	6,195	148,673
6.	2	Meters < 88	64,237			0		64,237	6	0	0	3,854	60,383
7.	1	Buildings	461,121			0		461,121	4	0	0	18,445	442,676
8.	2	Dist'n Stations	178,380			0		178,380	6	0	0	10,703	167,677
9.	8	Office equipment	105,631			0		105,631	20	0	0	21,126	84,505
10.	8	Stores/Comm/Supe etc	50,865			0		50,865	20	0	0	10,173	40,692
11.	10	Vehicles, trailers, transport equip	39,696	45,650		0	22,825	62,521	30	0	0	18,756	66,590
12.	10	Motor Vehicles	87,466			0		87,466	30	0	0	26,240	61,226
13.	8	Inventory spare part	9,154			0		9,154	20	0	0	1,831	7,323
14.	17	Telephone System	9,693			0		9,693	8	0	0	775	8,918
15.	8	Lighting	201			0		201	20	0	0	40	161
16.	17	Paving	8,415			0		8,415	8	0	0	673	7,742
17.	6	Fencing	2,408			0		2,408	10	0	0	241	2,167
18.	8	PCB Storage	334			0		334	20	0	0	67	267
19.	1	SCADA system	173,250			0		173,250	4	0	0	6,930	166,320
20.	2	Invent Dist'n Meter	26,863			0		26,863	6	0	0	1,612	25,251
21.	45	Computer hardware - new	1,466			0		1,466	45	0	0	660	806
22.	47	Distribution assets after Feb 22,	12,436,423	905,120		503,386	200,867	12,637,290	8	0	0	1,010,983	11,827,174
23.	50	Computer Hardware	132,068	17,583		0	8,792	140,859	55	0	0	77,472	72,179

	1 Class number *	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below)	4 Adjustments and transfers (see note 2 below)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note3 below)	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below)	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) (see note 6 below)	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
24.	1b	Buildings	75,388			0		75,388	6	0	0	4,523	70,865
25.	8	Smart grid	245,449	204,754		0	102,377	347,826	20	0	0	69,565	380,638
26.	14.1		7,902			0		7,902	5	0	0	553	7,349
27.	12	Computer Software		128,951		0	64,476	64,475	100	0	0	64,475	64,476
		Totals	24,352,495	1,302,058		503,386	399,337	24,751,830				1,806,061	23,345,106

* 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%).

Note 1. 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).

Note 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.

Note 3. 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*.

Note 4. 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.

Note 5. For every entry in column 9, "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.

Note 6. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		1,302,058		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Contributed capital additions, not in NBV below	+	319,954		
Total additions per books	=	1,622,012	►	1,622,012
Proceeds up to original cost – Schedule 8 regular classes		503,386		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Recovery on ICM asset (recovery in reg)	+	-452,598		
Change in WIP	+	-719,301		
Regulatory adjustment to PPE	+	18,767		
Rounding	+	2		
Transfers (nbv) to inventory	+	26,933	–	
Total proceeds per books	=	-622,811	►	-622,811
Depreciation and amortization per accounts – Schedule 1			–	1,103,773
Loss on disposal of fixed assets per accounts			–	33,071
Gain on disposal of fixed assets per accounts			+	9,413
Net change per tax return			=	1,117,392

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		29,315,043
Opening net book value	–	28,197,651
Net change per financial statements	=	1,117,392

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	NIAGARA-ON-THE-LAKE ENERGY IN		86376 1490 RC0001	1					7,054,844
2.	Energy Services Niagara Inc		86360 6125 RC0001	3					143,511
3.	Town of Niagara-on-the-Lake		NR	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	EMPLOYEE FUTURE BENEFITS	330,064		478,800	330,064	478,800
2	AFDA	95,071		95,418	95,071	95,418
3						
	Reserves from Part 2 of Schedule 13					
	Totals	425,135		574,218	425,135	574,218

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	154,013	490251			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule . . . . 154,013 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 154,013 B

Deductible amount for contributions to deferred income plans
(amount A **minus** amount B) (if negative, enter "0") C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer (EPSP only)

T2 SCH 15 (13) Canada

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* not to be associated for purposes of the small business deduction.

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

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

1 – Associated for purposes of allocating the business limit (unless code 5 applies)

2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction

3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)

4 – Associated non-CCPC

5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group.

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . . . **050** Year 2017

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . . **075** 1 Yes [ ] 2 No [X]

	1 Names of associated corporations 100	2 Business number of associated corporations 200	3 Association code 300	4 Business limit for the year before the allocation $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	1	500,000	100.0000	500,000
2	NIAGARA-ON-THE-LAKE ENERGY INC.	86376 1490 RC0001	1	500,000		
3	Energy Services Niagara Inc	86360 6125 RC0001	1	500,000		
4	Town of Niagara-on-the-Lake	NR	4			
				Total	100.0000	500,000 A

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

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (D - $10,000,000). Details of this formula and variable D are in subsection 125(5.1) of the Act.

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

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit.**
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . 101 1 Yes [X] 2 No [ ]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . 102 1 Yes [ ] 2 No [X]

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . 103 ______
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number 105	Description of investment 110	Date available for use 115	Location used in Atlantic Canada (province) 120	Amount of investment 125

Total of investments for qualified property and qualified resource property ______ A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B1
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ______ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ______ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D1
Total credit available (line 220 **plus** amount D1)				E1
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount H1 in Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F1
Credit balance before refund (amount E1 **minus** amount F1)				G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903 — H1
Enter at amount a in Part 5.

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)				
Contributions to agricultural organizations for SR&ED				
Deduct: Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 in Part 3)*			350	
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			360	
Repayments made in the year (from line 560 on Form T661)			370	
Qualified SR&ED expenditures (total of lines 350 to 370)			380	

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? 385 1 Yes [ ] 2 No [X]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied)		390	
Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million	26,853,754	398	16,853,754

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation:			$ 8,000,000	
Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more	500,000 x 10 =		5,000,000	A2
Excess ($8,000,000 **minus** amount A2; if negative, enter "0")			3,000,000	B2
$ 40,000,000 **minus** line 398 in Part 9	23,146,246 b			
Amount b **divided** by $ 40,000,000			0.57866	C2
Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)*			1,735,980	D2
For an associated corporation: If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49*		400		E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 ______ x Number of days in the tax year 365 / 365 = ______ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies)	410	1,735,980	

* Amount D2 or E2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	**420**		x 35 % =		G2
Line 350 **minus** line 410 (if negative, enter "0")	**430**				

Amount from line 430 ______ x (Number of days in the tax year before 2014 / Number of days in the tax year) ______ x 20% = ______ c

Amount from line 430** ______ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ______ d

Subtotal (amount c **plus** amount d) ______ ► ______ H2

Line 410 **minus** line 350 (if negative, enter "0") 1,735,980 e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less*	**440**		x 35 % =		I2
Line 360 **minus** amount e (if negative, enter "0")	**450**				

Amount from line 450 ______ x (Number of days in the tax year before 2014 / Number of days in the tax year) ______ x 20% = ______ f

Amount from line 450** ______ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ______ g

Subtotal (amount f **plus** amount g) ______ ► ______ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) ______

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC***	**460**		x 35 % =		h
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015	**480**		x 20 % =		i
Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014	**490**		x 15 % =		j

Subtotal (**add** amounts h to j) ______ ► ______ K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) ______ L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year				M2
Credit deemed as a remittance of co-op corporations	510			
Credit expired	515			
Subtotal (line 510 **plus** line 515)			▶	
ITC at the beginning of the tax year (amount M2 **minus** amount N2)			520	N2
Credit transferred on an amalgamation or the wind-up of a subsidiary	530			
Total current-year credit (from amount L2 in Part 11)	540			
Credit allocated from a partnership	550			
Subtotal (total of lines 530 to 550)			▶	O2
Total credit available (line 520 **plus** amount O2)				P2
Credit deducted from Part I tax	560			
Credit carried back to previous years (amount S2 in Part 13)			k	
Credit transferred to offset Part VII tax liability	580			
Subtotal (total of line 560, amount k, and line 580)			▶	Q2
Credit balance before refund (amount P2 **minus** amount Q2)				R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610	
ITC closing balance on SR&ED (amount R2 **minus** line 610)			620	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total of lines 911 to 913 Enter at amount k in Part 12.		S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)?	650	1 Yes [ ] 2 No [X]	
Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11)			I
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*			T2
Amount T2 or amount G2 in Part 11, whichever is less			U2
Net amount (amount T2 **minus** amount U2; if negative, enter "0")			V2
Amount V2 **multiplied** by 40 %			W2
Amount U2			X2
Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12)			Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12)		Z2
Amount Z2 or amount G2 in Part 11, whichever is less		AA2
Net amount (amount Z2 **minus** amount AA2; if negative, enter "0")		BB2
Amount BB2 or amount I2 in Part 11, whichever is less		CC2
Amount CC2 **multiplied** by 40 %		DD2
Amount AA2		EE2
Refund of ITC (amount DD2 **plus** amount EE2)		FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal | | A3
Enter at amount C3 in Part 17.

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) | | B3
Enter at amount D3 in Part 17.

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 29.		F3

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810	
Geological, geophysical, or geochemical surveys	811	
Drilling by rotary, diamond, percussion, or other methods	812	
Trenching, digging test pits, and preliminary sampling	813	

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820	
Sinking a mine shaft, constructing an adit, or other underground entry	821	

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826
Total of column 826	► A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4)	830		
Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B4
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B4 **plus** line 835)			C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year					D4
Credit deemed as a remittance of co-op corporations			841		
Credit expired			845		
Subtotal (line 841 **plus** line 845)				►	E4
ITC at the beginning of the tax year (amount D4 **minus** amount E4)				850	
Credit transferred on an amalgamation or the wind-up of a subsidiary				860	
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870	x 10 %	=		m
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872	x 5 %	=		n
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874	x 7 %	=		o
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876	x 4 %	=		p
Current year credit (total of amounts m to p)			880	►	F4
Total credit available (total of lines 850, 860, and amount F4)					G4
Credit deducted from Part I tax			885		
Credit carried back to previous years (amount I4 in Part 20)					q
Subtotal (line 885 **plus** amount q)				►	H4
ITC closing balance from pre-production mining expenditures (amount G4 **minus** amount H4)				890	

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	
				Total of lines 921 to 923 Enter at amount q in Part 19.		I4

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . 611 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605

Total current-year credit (total of column E) Enter on line 640 in Part 22. ______ A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			2,000	B5
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)		►		C5
ITC at the beginning of the tax year (amount B5 **minus** amount C5)	625		2,000	
Credit transferred on an amalgamation or the wind-up of a subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount A5 in Part 21)	640			
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		►		D5
Total credit available (line 625 **plus** amount D5)			2,000	E5
Credit deducted from Part I tax	660	2,000		
Credit carried back to previous years (amount G5 in Part 23)			r	
Subtotal (line 660 **plus** amount r)		2,000 ►	2,000	F5
ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5)	690			

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	931	
2nd previous tax year				Credit to be applied	932	
3rd previous tax year				Credit to be applied	933	

Total of lines 931 to 933 Enter at amount r in Part 22. ______ G5

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017***** to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695)	715	
Specified child care start-up expenditures from the current tax year	705	
Total gross eligible expenditures for child care spaces (line 715 **plus** line 705)		A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6	725	
Excess (amount A6 **minus** line 725) (if negative, enter "0")		B6
Repayments by the corporation of government and non-government assistance	735	
Total eligible expenditures for child care spaces (amount B6 **plus** line 735)	745	

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24)			x 25 %	=	C6
Number of child care spaces	755		x $ 10,000	=	D6
ITC from child care spaces expenditures (amount C6 or D6, whichever is less)					E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year			F6
Credit deemed as a remittance of co-op corporations	765		
Credit expired after 20 tax years	770		
Subtotal (line 765 **plus** line 770)		►	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)		775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777		
Total current-year credit (amount E6 in Part 25)	780		
Credit allocated from a partnership	782		
Subtotal (total of lines 777 to 782)		►	H6
Total credit available (line 775 **plus** amount H6)			I6
Credit deducted from Part I tax	785		
Credit carried back to previous years (amount K6 in Part 27)		s	
Subtotal (line 785 **plus** amount s)		►	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)		790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2016-12-31	Credit to be applied	941	
2nd previous tax year	2015-12-31	Credit to be applied	942	
3rd previous tax year	2014-12-31	Credit to be applied	943	
		Total of lines 941 to 943 Enter at amount s in Part 26.		K6

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))			**792**	
In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:				
The amount that can reasonably be considered to have been included in the original ITC	**795**			
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	**797**			
Amount from line 795 or line 797, whichever is less				A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	**799**		
Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) Enter at amount B8 in Part 29.			B7

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 28)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8) Enter on line 602 of the T2 return.		C8

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)		E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22)	2,000	G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8) Enter on line 652 of the T2 return.	2,000	I8

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2016-12-31				
2015-12-31	2,000		2,000	
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				*
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
2001-09-30				
				*
Total	2,000		2,000	

B+C+D+G **Total ITC utilized** 2,000

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- 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	574,218		
Capital stock (or members' contributions if incorporated without share capital)	103	2,632,307		
Retained earnings	104	9,708,384		
Contributed surplus	105			
Any other surpluses	106	4,269,026		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	9,769,927		
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)		26,953,862	26,953,862	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)		26,953,862	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		26,953,862	

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	100
A loan or advance to another corporation (other than a financial institution)	402	427,037
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	427,137

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)		26,953,862	C
Deduct: Investment allowance for the year (line 490)		427,137	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	26,526,725	

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) 26,526,725 x Taxable income earned in Canada **610** 1,421,293 / Taxable income 1,421,293 = **Taxable capital employed in Canada** **690** 26,526,725

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Provide only one number per shareholder

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business Number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Niagara-on-the-Lake Energy Inc.	86376 1490 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada

Canada Revenue Agency / Agence du revenu du Canada

Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

On: 2017-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 *Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☒ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year			**100**	5,875,166 A
Taxable income for the year (DICs enter "0") *	**110**	1,421,293 B		
Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less * **130**				
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income * **140**				
Subtotal (line 130 **plus** line 140)	▶	C		
Income taxable at the general corporate rate (amount B **minus** amount C) (if negative enter "0")	**150**	1,421,293		
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))			**190**	1,023,331 D
Eligible dividends received in the tax year	**200**			
Dividends deductible under section 113 received in the tax year	**210**			
Subtotal (line 200 **plus** line 210)			▶	E
Becoming a CCPC (amount W5 in Part 4)	**220**			
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4)	**230**			
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4)	**240**			
Subtotal (**add** lines 220, 230, and 240)	**290**		▶	F
Subtotal (**add** amounts A, D, E, and F)				6,898,497 G
Eligible dividends paid in the previous tax year	**300**			
Excessive eligible dividend designations made in the previous tax year	**310**			
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)				
Subtotal (line 300 **minus** line 310)			▶	H
GRIP before adjustment for specified future tax consequences (amount G **minus** amount H) (amount can be negative)			**490**	6,898,497
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)			**560**	
GRIP at the end of the tax year (line 490 **minus** line 560)			**590**	6,898,497

Enter this amount on line 160 of Schedule 55.

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

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2016-12-31

Taxable income before specified future tax consequences from the current tax year A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less B1

Aggregate investment income (line 440 of the T2 return) C1

Subtotal (amount B1 **plus** amount C1) ► D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") ► E1

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less G1

Aggregate investment income (line 440 of the T2 return) H1

Subtotal (amount G1 **plus** amount H1) ► I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ► J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") K1

GRIP adjustment for specified future tax consequences to the first previous tax year
(amount K1 **multiplied** by 0.72) 500

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2015-12-31

Taxable income before specified future tax consequences from the current tax year A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less B2

Aggregate investment income (line 440 of the T2 return) C2

Subtotal (amount B2 **plus** amount C2) ▶ D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") ▶ E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less G2

Aggregate investment income (line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) ▶ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2014-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ______ B3

Aggregate investment income (line 440 of the T2 return) . . . . ______ C3

Subtotal (amount B3 **plus** amount C3) ______ ▶ ______ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") ______ ▶ ______ E3

Future tax consequences that occur for the current year

Amount carried back from the current year to a prior year

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

Taxable income after specified future tax consequences . . . . ______ F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less . . . . ______ G3

Aggregate investment income (line 440 of the T2 return) . . . . ______ H3

Subtotal (amount G3 **plus** amount H3) ______ ▶ ______ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ______ ▶ ______ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ______ K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) . . . . **540** ______

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ______ L3

Enter amount L3 on line 560 in part 1.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year				A4
Eligible dividends paid by the corporation in its last tax year		B4		
Excessive eligible dividend designations made by the corporation in its last tax year		C4		
Subtotal (amount B4 **minus** amount C4)		►		D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4)				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year.The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ______ C5

Net capital losses . . . . ______ D5

Farm losses . . . . ______ E5

Restricted farm losses . . . . ______ F5

Limited partnership losses . . . . ______ G5

Subtotal (**add** amounts C5 to G5) ______ ► ______ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ______ I5

Net capital losses . . . . ______ J5

Farm losses . . . . ______ K5

Restricted farm losses . . . . ______ L5

Limited partnership losses . . . . ______ M5

Subtotal (**add** amounts I5 to M5) ______ ► ______ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ______ ► ______ O5

Subtotal (**add** amounts A5, B5, and O5) ______ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ R5

All the corporation's reserves deducted in its previous/last tax year . . . . ______ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ U5

Subtotal (**add** amounts Q5 to U5) ______ ► ______ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . ______ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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		500,000			
Total taxable dividends paid in the tax year	100	500,000			
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	6,898,497	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**.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

- Use this schedule if the corporation had a permanent establishment, under 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.
- Legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only and is not required to be filed with your *T2 Corporation Income Tax Return*.

Part 1 – Ontario basic income tax

Ontario taxable income *	1,421,293	A
Ontario basic rate of tax for the year	11.5 %	B
Ontario basic income tax (amount A **multiplied** by amount B **)	163,449	C

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

** 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.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1).

Amount from line 400 of the T2 return	1,421,693	1		
Amount from line 405 of the T2 return	1,421,293	2		
Amount from line 427 of the T2 return		3		
Enter the least of amounts 1, 2 or 3		►		D

Ontario domestic factor (ODF): Taxable income for Ontario * / Taxable income for all provinces ** = 1,421,293.00 / 1,421,293 = 1.00000 E

Amount D **multiplied** by amount E		4		
Ontario taxable income (amount A from Part 1)	1,421,293	5		
Ontario small business income (lesser of amount 4 or amount 5)		►		F

Ontario small business deduction rate for the year

Number of days in the tax year before January 1, 2018 / Number of days in the tax year: 365 / 365 x 7 % = 7.00000 % G1

Number of days in the tax year after December 31, 2017 / Number of days in the tax year: ___ / 365 x 8 % = % G2

OSBD rate for the year (rate G1 **plus** rate G2) 7.00000 % ► 7.00000 % G

Ontario small business deduction (amount F **multiplied** by rate G) ______ H

Enter amount H on line 402 of Schedule 5.

* Enter amount A from Part 1.

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

Part 3 – 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 5) I

Enter amount I at amount K in Part 4 of this schedule or at amount B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 4 – 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 N from Part 5 of Schedule 17 . . . . J

Ontario adjusted small business income (amount I) . . . . K

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

Amount L **multiplied** by amount G . . . . M

Ontario domestic factor (amount E) . . . . 1.00000 N

Ontario credit union tax reduction (amount M **multiplied** by amount N) . . . . O

Enter amount O on line 410 of Schedule 5.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
NIAGARA-ON-THE-LAKE HYDRO INC.	86360 5929 RC0001	2017-12-31

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

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
NIAGARA-ON-THE-LAKE HYDRO INC.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-07-01	1424833

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

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
8	Henegan Road	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 460

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Virgil	ON	CA	L0S 1T0

Part 3 – Change identifier

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

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

Part 4 – Certification

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

450 Klassen (Last name) **451** Jeffrey (First name)

454 Tyler (Middle name(s))

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

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

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

Part 5 – Mailing address

500 2 Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 1 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Syed	705 First name: Hassan	710 Middle name(s):
720 Street number: 541	730 Street name/Rural route/Lot and Concession number: Winston Road	740 Suite number: 36
750 Additional address information if applicable (line 730 must be completed first):		

760 Municipality (e.g., city, town): Grimsby	770 Province/state: ON	780 Country: CA	790 Postal/zip code: L3M 0C5

Director

Is this director a resident Canadian? . . . 795 **1** Yes ☐ **2** No ☐

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day:

797 Date ceased, if applicable Year Month Day:

Officer information		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846	2016-05-11	847	2017-05-26
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name	705 First name	710 Middle name(s)
Marouf	Kazi	

720 Street number	730 Street name/Rural route/Lot and Concession number	740 Suite number
570	Ferndale Avenue	

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Fort Erie	ON	CA	L2A 6E3

Director

Is this director a resident Canadian? . . . 795 **1** Yes ☐ **2** No ☐

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day

797 Date ceased, if applicable Year Month Day

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846	2017-05-11	847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

KPMG LLP
Commerce Place
21 King Street West Suite 700
Hamilton, ON L8P 4W7
Tel 905-523-8200
Fax 905-523-2222
www.kpmg.ca

PRIVATE AND CONFIDENTIAL

Mr. Timothy Curtis
Niagara-on-the-Lake Hydro Inc.
8 Henegan Road
Virgil ON L0S 1T0

June 7, 2018

Dear Mr. Curtis:

Corporate Income Tax Returns

We have enclosed the following income tax returns of Niagara-on-the-Lake Hydro Inc. (the "Company") for the year ended **December 31, 2017**:

- ☑ T2 – *Corporation Income Tax Return* – EXEMPT
- ☑ T183 *Information Return For Corporations Filing Electronically* (Federal – to be e-filed with CRA) - Exempt
- ☑ T2 – *Corporation Income Tax Return* (to be filed with Ministry of Finance) – PILS
- ☑ Instalment Schedule
- ☑ One copy of each return for your files

We have prepared these returns based on our understanding of the information provided to us by the Company and we recommend that you review the returns to ensure that all of the relevant facts are properly disclosed. When you are satisfied that the returns are in order, one copy of each return should be retained for your records (the copy stamped "Client Copy") and the remaining copies should be completed by an authorized signing officer of the Company and filed as described below.

DUE DATE OF RETURNS AND PAYMENTS

All returns must be filed with the respective taxing authorities by the due date if late filing penalties are to be avoided. We suggest that the returns be sent by registered mail and that the mailing receipt be kept on file in order to have evidence of the date of filing.

Any balances owing must be remitted by the due date or as soon as possible if interest charges are to be minimized.

T2 – *CORPORATION INCOME TAX RETURN* (FEDERAL) CRA COPY - EXEMPT

Signature

- The Form T183CORP - *Information Return for Corporations Filing Electronically* should be completed and signed.

Payment

No amount is payable for the **December 31, 2017** taxation year.

Mailing

- One copy of the signed Form T183CORP should be returned to us in the self-addressed envelope no later than **June 30, 2018** in order to have the Company's corporate income tax return filed on or before the due date for filing. Alternatively, you can fax it to **(905) 523-2222.**

T2 – *CORPORATION INCOME TAX RETURN* - MINISTRY OF FINANCE

Signature

- Form T2 – *Corporate Income Tax Return*, the certification section at the bottom of page 9 should be completed and signed.

Payment

A cheque in the amount of $**374,643** should be attached for the **December 31, 2017** taxation year. Payments should be made in Canadian funds and be made payable to the Minister of Finance. Your business number should be printed on the back of the cheque or money order.

Mailing

- One copy of the *T2 Corporate Income Tax Return* must be received by The Ministry of Finance, HYDRO PIL DIVISION, P.O. Box 620, 33 King Street West, Oshawa, Ontario, L1H 8E9 no later than **June 30, 2018**. The Company's account number should be recorded on each of the paper documents submitted.

NOTICES OF ASSESSMENT

If your Company receives a Notice of Assessment that does not agree with the returns prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only 90 days (180 days in the case of Ontario) from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

INSTALMENTS

We have prepared and enclose an estimate of PILS tax instalments as applicable for the Company for the **2018** taxation year. The amounts were computed with reference to the Company's taxable income, taxable capital and taxes payable for prior years. If during the year it is evident that the taxable income or taxable capital for the current year will be substantially less than for the previous taxation year, your instalments may be recalculated. Please call your KPMG advisor in order that we may determine what course of action should be taken.

In order to avoid interest charges, the Ministry of Finance must receive the instalment payments no later than the date indicated on the attached schedule.

If you have any questions concerning these returns, or if we may be of any further assistance, please do not hesitate to contact us.

Yours truly,

Tony Italiano
Partner
905-523-2227

Enclosures

APPENDIX

4D

NIAGARA-ON-THE-LAKE HYDRO

2019 COST OF SERVICE RATE APPLICATION

EB-2018-0056

2017 Final Verified Annual LDC CDM Program Results Report
Letter from the Vice-President, Policy, Engagement & Innovation

June 29, 2018

To: Ontario's Local Distribution Companies

At the mid-way point of the Conservation First Framework (CFF) Ontario's Local Distribution Companies (LDCs) along with the IESO have shown significant progress towards the 2020 CFF 7.0 TWh target. The province has achieved 1.8 TWh of persisting energy savings in 2017, the highest performing year on record. Approximately 20% ($364M) of the allocated $1.835B CFF LDC Conservation Demand Management (CDM) budget was accounted for in 2017. From 2015, LDCs have achieved 4.8 TWh of energy savings, representing 69% of the CFF 7.0 TWh target. The savings realized to date demonstrate the significant efforts made by LDCs and the IESO in delivering and promoting conservation programs across the province.

Key highlights from the 2017 results include:

- The share of residential portfolio savings increased for the third consecutive year, accounting for 46% of 2017 results, while the business portfolio program contributed to 45%, and local/pilot/centrally delivered programs accounting for 9% of 2017 savings.

- The Coupon & Instant Discount residential retail program produced a record achievement of 740 GWh of persisting energy savings, increasing by over 53% of the results from 2016. LED light bulbs remained the most common measure accounting 91% of savings.

- The Retrofit program achieved 663 GWh of persisting energy savings in 2017, which represents a small reduction in savings despite completing approximately half the number projects compared to 2016 results (including adjustments). Lighting continues to represent the majority of results, representing 79% of savings in 2017.

- The Process and Systems Upgrades Program achieved 15 GWh in 2017, but also verified an additional 65 GWh in 2016 completed projects and 11 GWh in 2015 completed projects as part of this year's evaluation. Behind-the-meter generation projects account for 82% of program savings-to-date.

  - The data lag associated with unreported (yet completed) 2017 projects for the Retrofit and Process and Systems Upgrade programs remain an ongoing challenge. Together with the Heating & Cooling program, these programs have approximately 723 GWh in unverified savings yet to be reported by LDCs for which is anticipated to be reported a future verified annual results reports as 2017 adjustments.

Minor revisions were made to the final 2017 results relative to the preliminary 2017 results issued to LDCs on June 1, 2018. Details on the revisions between the 2017 preliminary and final verified results can be found in the 2017 Frequently Asked Questions (FAQs) along with key 2017 evaluation findings and province-wide and local program cost effectiveness test results posted alongside LDC results.

Consistent with prior year evaluation cycles, all 2017 final verified annual results reports will be posted on the IESO website in early July. LDC-specific cost effectiveness test results (program- and portfolio-level) will be available by September 15, 2017. Finally, 2017 EM&V reports will be available later this summer along with key program recommendations to be shared with the Joint Program Operations Committee (JPOC) and associated committees.

I look forward to the continued collaboration with LDCs and stakeholders building off lessons learned and implementing feedback from the mid-term review process to enhance current programs and future efforts.

Sincerely,

Terry Young
Vice-President, Policy, Engagement & Innovation
Independent Electricity System Operator

2017 Final Verified Annual LDC CDM Program Results Report
Table of Contents

#	Worksheet Name	Worksheet Description
1	How to Use This Report	Describes the contents and structure of this report
2	Report Summary	A high level summary of the Final 2017 Annual Verified Results Report, including: 1) progress toward the LDC's: a) Allocated 2020 Annual Energy Savings Target; b) Allocated 2015-2020 LDC CDM Plan Budget; c) CDM Plan 2015-2020 Forecasts; 3) annual savings and spending; 4) Annual FCR Progress; 5) annual LDC CDM Plan spending progress; 6) graphs describing: a) contribution to 2020 Target Achievement by program; b) 2017 LDC CDM Plan Budget Spending by Sector; c) annual energy savings persistence to 2020 by year; d) your Allocated Target achievement progress relative to your peers; and e) your LDC CDM Plan Budget Spending progress relative to your peers;
3	LDC Rankings	A comprehensive report of each LDC's performance rankings against all other LDCs in major performance categories.
4	LDC Progress	A comprehensive report of 2017 conservation results including: 1) activity; 2) savings including; a) energy and peak demand; b) net and gross; c) CDM Plan forecasts, verified actuals and relative progress; d) Allocated Target and Target acheivement; and 3) spending, including participant incentives and administrative expenses and IESO Value Added Services Costs. Data is grouped by category and summarized at the LDC level.
5	Province-Wide Progress	A comprehensive report of 2016 conservation results including: 1) activity; 2) savings including; a) energy and peak demand; b) net and gross; c) CDM Plan forecasts, verified actuals and relative progress; d) Allocated Target and Target acheivement; and 3) spending, including participant incentives and administrative expenses and IESO Value Added Services Costs. Data is grouped by category and summarized at the province wide level.
6	LDC Savings Persistence	A report detailing the gross and net energy and peak demand savings persistence by program and implementation year (2015, 2015 Adjustment, 2016, 2016 Adjustment and 2017) at the LDC Level.
7	Province-Wide Savings Persistence	A report detailing the gross and net energy and peak demand savings persistence by program and implementation year (2015, 2015 Adjustment, 2016, 2016 Adjustment and 2017) at the province wide Level.
8	Methodology	A description of the methods used to calculate energy savings, financial results and cost-effectiveness.
9	Reference Table	Provides detailing how Province wide Consumer Program results were allocated to specific LDCs.
10	Glossary	Definitions for the terms used throughout this report.

2017 Final Verified Annual LDC CDM Program Results Report
How to Use this Report

The IESO is pleased to provide you with the 2017 Final Verified Annual LDC CDM Program Results Report.

This report provides:
1) electricity savings;
2) annual Full Cost Recovery funding model program progress; and
3) peak demand savings;
4) IESO Value Added Services Costs
in accordance with Section 9.2(b)(i) of the Energy Conservation Agreement.

In addition to the above, this report also provides in greater detail:
1) program participation results including:
   a) forecasts; b) actuals; and c) progress (forecast versus (vs) actuals);

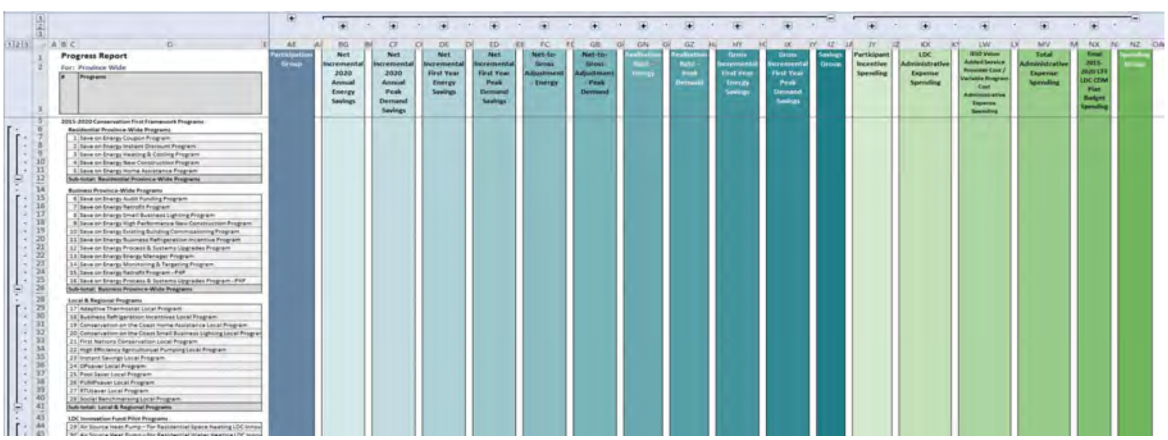
2) program savings results including:
   a) net 2020 annual energy and peak demand savings;
   b) allocated target, target achievement and progress towards target;
   c) incremental net first year energy and peak demand savings;
   d) annual net-to-gross and realization rate adjustments; and
   e) incremental gross first year energy and peak demand savings;
   and where available reported by: i) forecasts; ii) verified actuals; and iii) progress (forecast vs actuals);

3) program spending including:
   a) participation incentive spending;
   b) administrative expense spending (including IESO value-added services costs);
   c) aggregated total spending; and
   d) allocated budget, LDC CDM Plan budget spending and progress towards budget;
   and for each cost: i) forecasts; ii) verified actuals; and iii) progress (forecast vs actuals);

4) program savings results persistence for:
   a) gross energy savings;
   b) gross peak demand savings;
   c) net energy savings; and
   d) net peak demand savings;

by both the LDC specific level and the province-wide aggregated level for 2017, 2016 including adjustments, and 2015 including adjustments.

This report's format is consistent with the IESO issued Monthly Participation and Cost Report in that it is a dynamic sheet that can be expanded or collapsed by clicking the + button or "Show Detail" feature under the Data tab. Each of the four results categories listed above have been grouped together for easy accessibility.



Please note:
1) Cost Effectiveness Test (CET) results at the: a) province-wide / program level is available and posted separately on LDC Extranet; b) LDC / program level will be available on the LDC Extranet by September 15, 2018; as per the Energy Conservation Agreement, version 3.0;

2) forecasts of: a) activity; b) savings; and c) spending; included in this report are based on approved LDC CDM Plan - Cost Effectiveness Tools as of December 31, 2017 (from the i) Program Design; ii) Budget Inputs; and iii) Savings Results worksheets);

3) Annual FCR Progress only includes Full Cost Recovery funding model program savings results and excludes Pay-for-Performance funding model program savings results;

4) The complete list of approved programs and pilots as of December 31, 2017 approved LDC CDM Plans have been included, however only programs and pilots in market for a sufficient period of time to enable a valid EM&V process will have verified results;

5) 2017 Verified Adjustments to prior years consists of projects completed in the associated year but were not reported to the IESO by previous year's reporting deadlines (March 31, 2016 and April 15, 2017);

6) Pilot program savings are attributed to the LDC where the pilot program project is located in; and

7) This Annual Verified Results Report provides results for the LDC and province only. No aggregated reporting is provided for LDCs that are part of a joint CDM plan;

2017 Final Verified Annual LDC CDM Program Results Report Summary

For: Niagara-on-the-Lake Hydro Inc.

Results

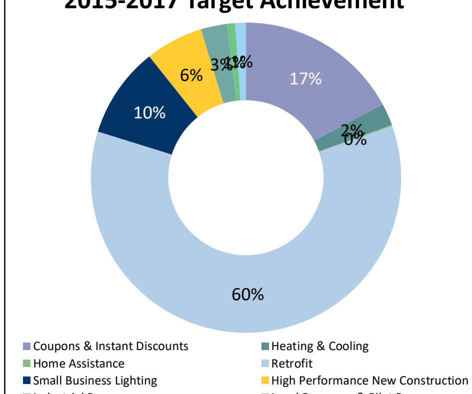
#	Metric	2015 Verified Results	2016 Verified Results	2017 Verified Results	2015-2017 Verified Results	Allocated Target / Budget	2015-2017 Progress versus Allocated Target / Budget	2015-2020 LDC CDM Plan Forecast	2015-2017 Progress versus 2015-2020 LDC CDM Plan Forecast	2017 LDC CDM Plan Forecast	2017 Progress versus 2017 LDC CDM Plan Forecast	2015-2017 LDC CDM Plan Forecast	2015-2017 Progress versus 2015-2017 LDC CDM Plan Forecast
1	Net Verified Annual Energy Savings Persisting to 2020	3,063 MWh	3,988 MWh	3,445 MWh	10,497 MWh	11,680 MWh	90 %	12,188 MWh	86 %	2,472 MWh	139 %	9,028 MWh	116 %
2	LDC Ranking - Net Verified Annual Energy Savings Persisting to 2020	38	36	40	38	43	12	43	8	37	30	37	46
3	Total Spending ($)	$ 0	$ 425,446	$ 647,548	$ 1,072,994	$ 2,993,633	36 %	$ 2,221,857	48 %	$ 674,316	96 %	$ 1,099,317	98 %
4	LDC Ranking - Total Spending ($)	41	41	41	40	43	22	46	4	39	29	40	17

Annual FCR Progress

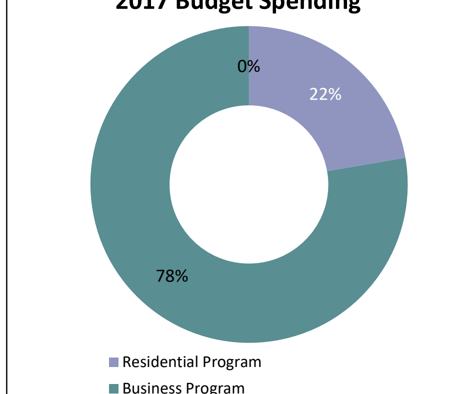
#	Metric	2015 Program Year	2016 Program Year	2017 Program Year	Total 2015-2017 Framework-to-Date
1	Net Verified 2020 Annual Energy Savings from Full Cost Recovery Programs	18 MWh	3,988 MWh	3,445 MWh	**7,451 MWh**
2	CDM Plan Forecasted Net 2020 Annual Energy Savings from Full Cost Recovery Programs	2,607 MWh *(2015 Annual Milestone from FCR Programs)*	2,729 MWh *(2016 Annual Milestone from FCR Programs)*	2,184 MWh *(2017 Annual Milestone from FCR Programs)*	**7,520 MWh** ***(Cumulative FCR Milestone)***
FCR Progress					**99.1 %**

2017 Target Achievement

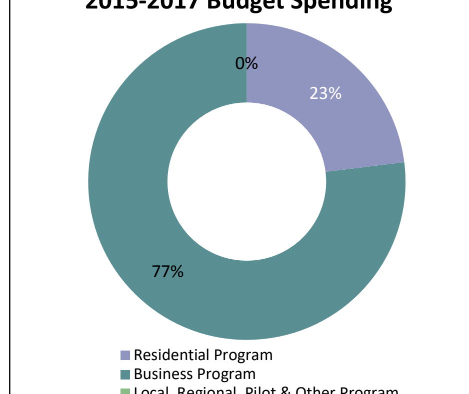
2015-2017 Target Achievement

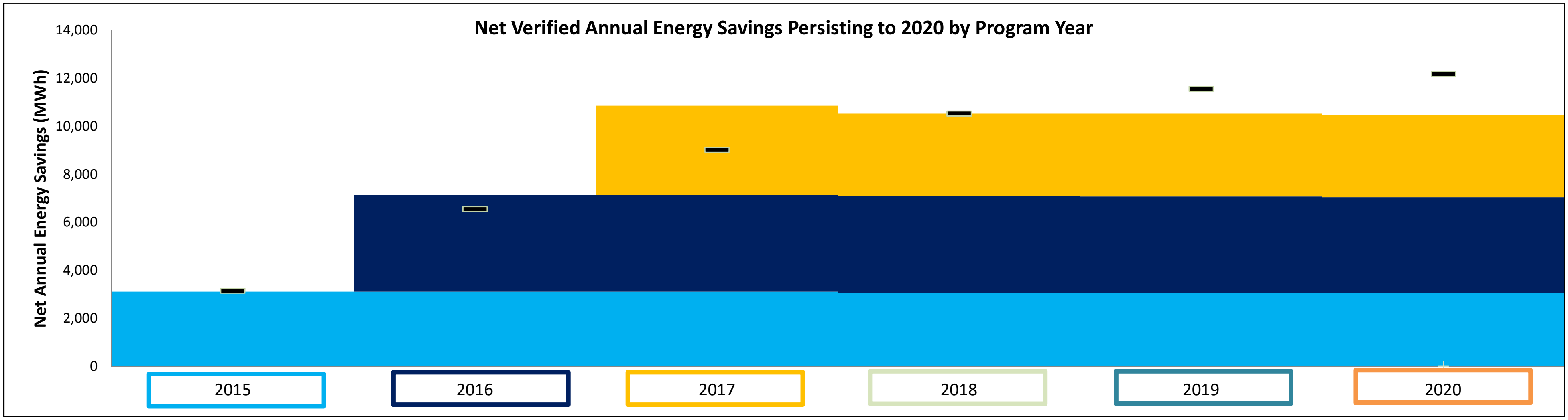


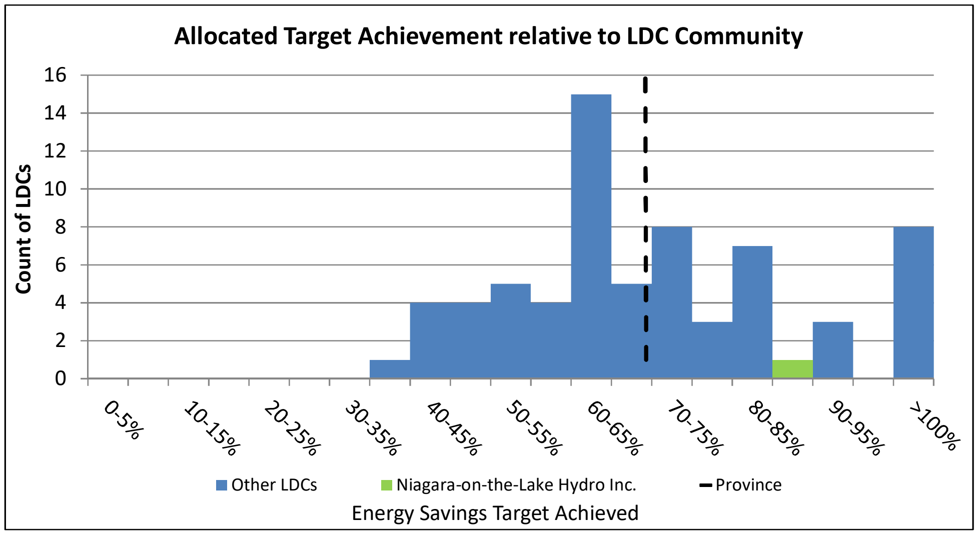
2017 Budget Spending

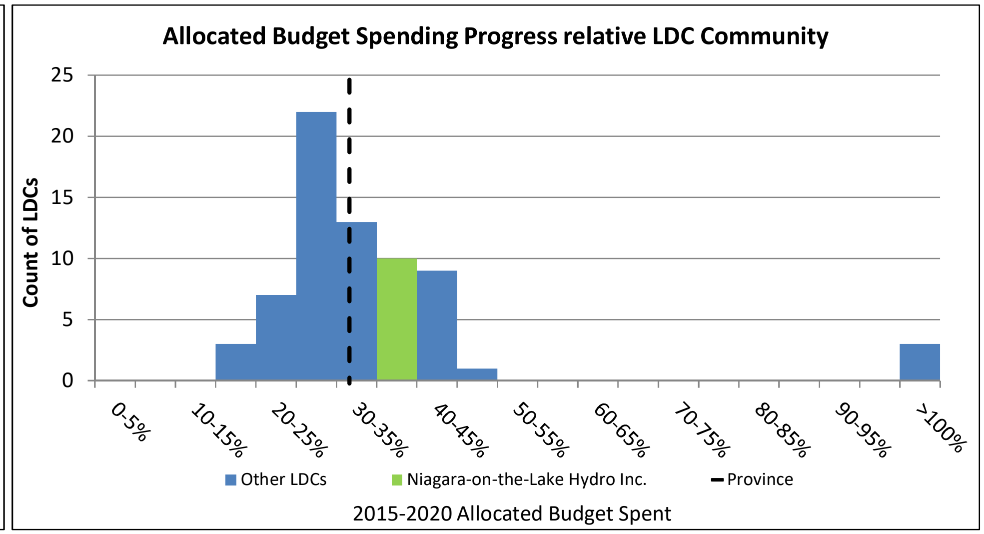


2015-2017 Budget Spending




Net Verified Annual Energy Savings Persisting to 2020 by Program Year
Net Annual Energy Savings (MWh)
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
2015
2016
2017
2018
2019
2020


Allocated Target Achievement relative to LDC Community
Count of LDCs
16
14
12
10
8
6
4
2
0
0-5%
10-15%
20-25%
30-35%
40-45%
50-55%
60-65%
70-75%
80-85%
90-95%
>100%
Other LDCs
Niagara-on-the-Lake Hydro Inc.
Province
Energy Savings Target Achieved


Allocated Budget Spending Progress relative LDC Community
Count of LDCs
25
20
15
10
5
0
0-5%
10-15%
20-25%
30-35%
40-45%
50-55%
60-65%
70-75%
80-85%
90-95%
>100%
Other LDCs
Niagara-on-the-Lake Hydro Inc.
Province
2015-2020 Allocated Budget Spent

2017 Final Verified Annual LDC CDM Program Results Report
LDC Rankings

#	LDC	Net Verified Annual Energy Savings Persisting to 2020													
		2015 Verified 2015 Savings		2016 Verified 2015 Adjustment Savings		2017 Verified 2015 Adjustment Savings		Total Verified 2015 Savings		2016 Verified 2016 Savings		2017 Verified 2016 Adjustment Savings		Total Verified 2016 Savings	
		Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)
44	Niagara-on-the-Lake Hydro Inc.	2,598,018	39	369,192	37	96,276	30	3,063,486	38	3,401,852	33	586,267	38	3,988,119	36
LDC Total		**1,117,211,477**		**372,759,951**		**68,785,651**		**1,558,757,080**		**1,152,109,308**		**357,805,953**		**1,509,915,261**	
Independent Electricity System Operator		**278,348**		**16,467**		**0**		**294,815**		**2,045,490**		**35,884**		**2,081,374**	
Province-Wide Total		**1,117,489,826**		**372,776,418**		**68,785,651**		**1,559,051,895**		**1,154,154,798**		**357,841,837**		**1,511,996,635**	

2017 Verified 2017 Savings		Total Verified 2015-2017 Savings		Allocated Savings Target		2017 Progress Savings versus Allocated Savings Target		2015-2017 Progress Savings versus Allocated Savings Target		2015-2020 LDC CDM Plan Savings Forecast		2017 Progress versus 2015-2020 LDC CDM Plan Savings Forecast		2015-2017 Progress versus 2015-2020 LDC CDM Plan Savings Forecast		2017 LDC CDM Plan Savings Forecast		2017 Progress versus 2017 LDC CDM Plan Savings Forecast		2015-2017 LDC CDM Plan Savings Forecast
Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (kWh)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (kWh)
3,445,058	40	10,496,663	38	11,680,000	43	29	16	90	12	12,187,558	43	28	14	86	8	2,471,690	37	139	30	9,027,755
1,790,833,794		**4,859,506,135**		**6,999,990,000**		**26**		**69**		**7,402,554,217**		**24**		**66**		**1,268,253,723**		**141**		**3,844,200,598**
1,773,007		**4,149,196**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**
1,792,606,801		**4,863,655,331**		**6,999,990,000**		**26**		**69**		**7,402,554,217**		**24**		**66**		**1,268,253,723**		**141**		**3,844,200,598**

			Total Spending																	
	2015-2017 Progress versus 2015-2017 LDC CDM Plan Savings Forecast		2015 Verified 2015 Spending		2016 Verified 2015 Adjustment Spending		2017 Verified 2015 Adjustment Spending		Total Verified 2015 Spending		2016 Verified 2016 Spending		2017 Verified 2016 Adjustment Spending		Total Verified 2016 Spending		2017 Verified 2017 Spending		Total Verified 2015-2017 Spending	
LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value ($)	LDC Ranking (#)
37	116	46	0	28	0	27	0	1	0	41	424,921	41	525	12	425,446	41	647,548	41	1,072,994	40
	126		**22,389,524**		**2,398,698**		**0**		**24,788,222**		**205,478,076**		**27,300**		**205,505,376**		**362,798,888**		**593,092,486**	
	n/a		**0**		**0**		**0**		**0**		**0**		**0**		**0**		**0**		**0**	
	126		**22,389,524**		**2,398,698**		**0**		**24,788,222**		**205,478,076**		**27,300**		**205,505,376**		**362,798,888**		**593,092,486**	

Allocated Budget		2017 Progress Spending versus Allocated Budget		2015-2017 Progress Spending versus Allocated Budget		2015-2020 LDC CDM Plan Spending Forecast		2017 Progress versus 2015-2020 LDC CDM Plan Spending Forecast		2015-2017 Progress versus 2015-2020 LDC CDM Plan Spending Forecast		2017 LDC CDM Plan Spending Forecast		2017 Progress versus 2017 LDC CDM Plan Spending Forecast		2015-2017 LDC CDM Plan Spending Forecast		2015-2017 Progress versus 2015-2017 LDC CDM Plan Spending Forecast	
Value ($)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value (%)	LDC Ranking (#)	Value ($)	LDC Ranking (#)	Value (%)	LDC Ranking (#)
2,993,633	43	22	23	36	22	2,221,857	46	29	5	48	4	674,316	39	96	29	1,099,317	40	98	17
1,835,264,933		**20**		**32**		**1,800,344,744**		**20**		**33**		**400,311,151**		**91**		**724,466,399**		**82**	
n/a		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**		**n/a**	
1,835,264,933		**20**		**32**		**1,800,344,744**		**20**		**33**		**400,311,151**		**91**		**724,466,399**		**82**	

Progress Report

For: Niagara-on-the-Lake Hydro Inc.

#	Programs	Participation: Unit of Measure	Forecasted (#) 2015	2016	2017	2018	2019	2020	Total	Verified (#) 2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Progress vs Forecast (%) Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total
	2015-2020 Conservation First Framework Programs																					
	Residential Province-Wide Programs																					
1	Save on Energy Coupon Program	Products	-	-	-	-	-	-	-	-	-	-	-	21,107	2,390	23,497	20,272	43,769	#VALUE!			#VALUE!
2	Save on Energy Instant Discount Program	Products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,765	15,765				
3	Save on Energy Heating & Cooling Program	Equipment	-	-	-	-	-	-	-	-	-	-	-	224	2	226	79	305				
4	Save on Energy New Construction Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5	Save on Energy Home Assistance Program	Homes	1	1	-	-	-	-	2	-	-	-	-	3	-	3	5	8	-	300		400
	Sub-total: Residential Province-Wide Programs																					
	Business Province-Wide Programs																					
6	Save on Energy Audit Funding Program	Projects	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-			-
7	Save on Energy Retrofit Program	Projects	1	1	49	21	17	9	98	-	-	-	-	53	2	55	45	100	-	5,500	92	196
8	Save on Energy Small Business Lighting Program	Projects	1	1	104	43	12	-	161	-	-	-	-	48	1	49	106	155	-	4,900	102	146
9	Save on Energy High Performance New Construction Program	Projects	1	1	1	1	1	2	7	-	-	-	-	4	-	4	1	5	-	400	100	167
10	Save on Energy Existing Building Commissioning Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
11	Save on Energy Business Refrigeration Incentive Program	Projects	-	-	20	30	-	-	50	-	-	-	-	-	-	-	-	-			-	-
12	Save on Energy Process & Systems Upgrades Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
13	Save on Energy Energy Manager Program	Projects	1	-	-	140	50	-	191	-	-	-	-	-	-	-	-	-	-			-
14	Save on Energy Monitoring & Targeting Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
15	Save on Energy Retrofit Program - P4P	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
16	Save on Energy Process & Systems Upgrades Program - P4P	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Business Province-Wide Programs																					
	Local & Regional Programs																					
17	Adaptive Thermostat Local Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
18	Business Refrigeration Incentives Local Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
19	Conservation on the Coast Home Assistance Local Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
20	Conservation on the Coast Small Business Lighting Local Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
21	First Nations Conservation Local Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
22	High Efficiency Agricultural Pumping Local Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
23	Instant Savings Local Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
24	OPsaver Local Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
25	Pool Saver Local Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
26	PUMPsaver Local Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
27	RTUsaver Local Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
28	Social Benchmarking Local Program	Participants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Local & Regional Programs																					
	LDC Innovation Fund Pilot Programs																					
29	Air Source Heat Pump – For Residential Space Heating LDC Innovation Fund	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
30	Air Source Heat Pump – For Residential Water Heating LDC Innovation Fund	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
31	Block Heater Timer LDC Innovation Fund Pilot Program	Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
32	Commercial Energy Management and Load Control (CEMLC) LDC Innovation	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
33	Conservation Cultivator LDC Innovation Fund Pilot Program	Projects	1	-	-	-	-	-	1	-	-	4	4	-	-	-	-	4	400			400
34	Data Centre LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
35	Electronics Take Back LDC Innovation Fund Pilot Program	Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
36	Energy Reinvestment LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
37	Home Energy Assessment & Retrofit LDC Innovation Fund Pilot Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
38	Hotel/Motel LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
39	Intelligent Air Technology LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
40	OPsaver LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
41	PUMPsaver LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
42	Residential Direct Install LDC Innovation Fund Pilot Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
43	Residential Direct Mail LDC Innovation Fund Pilot Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
44	Residential Ductless Heat Pump LDC Innovation Fund Pilot Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
45	Retrocomissioning LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
46	RTUsaver LDC Innovation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
47	Small & Medium Business Energy Management System LDC Innovation Fun	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
48	Solar Powered Attic Ventilation LDC Innovation Fund Pilot Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
49	Toronto Hydro – Enbridge Joint Low-Income Program LDC Innovation Fund I	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
50	Truckload Event LDC Innovation Fund Pilot Program	Products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: LDC Innovation Fund Pilot Programs																					
	Centrally Delivered Programs																					
51	Industrial Accelerator Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
52	Save on Energy Energy Performance Program for Multi-Site Customers	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
53	Whole Home Pilot Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Centrally Delivered Programs																					
	Program Enabled Savings																					
54	Save on Energy Retrofit Program Enabled Savings	Claims	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	1				
55	Save on Energy High Performance New Construction Program Enabled Savir	Claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
56	Save on Energy Process & Systems Upgrades Program Enabled Savings	Claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Program Enabled Savings																					
	Other																					
57	Non-Approved Program	Various	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
58	Unassigned Program	Various	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Other																					
	Sub-total: 2015-2020 Conservation First Framework																					
	Conservation Fund																					
59	Conservation Voltage Reduction Conservation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
60	EnerNOC Conservation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
61	Home Depot Home Appliance Market Uplift Conservation Fund Pilot Progra	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
62	Loblaw P4P Conservation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
63	Ontario Clean Water Agency P4P Conservation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
64	Performance Based Conservation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
65	Social Benchmarking Conservation Fund Pilot Program	Participants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
66	Strategic Energy Group Conservation Fund Pilot Program	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Conservation Fund																					
	2011-2014+2015 Extension Legacy Framework Programs																					
	Residential Program																					
67	Appliance Retirement Initiative	Appliances	-	-	-	-	-	-	-	8	-	-	8	-	-	-	-	8				
68	Coupon Initiative	Products	1	1	9,000	9,000	9,000	7,500	34,502	3,549	938	-	4,487	-	-	-	-	4,487	448,700	-	-	50
69	Bi-Annual Retailer Event Initiative	Products	-	-	-	-	-	-	-	6,102	67	-	6,169	-	-	-	-	6,169				
70	HVAC Incentives Initiative	Equipment	1	1	70	120	50	-	242	174	1	-	175	-	-	-	-	175	17,500	-	-	243
71	Residential New Construction and Major Renovation Initiative	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Residential Program																					
	Commercial & Institutional Program																					
72	Energy Audit Initiative	Projects	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	1				
73	Efficiency: Equipment Replacement Incentive Initiative	Projects	-	-	-	-	-	-	-	70	8	3	81	-	-	-	-	81				
74	Direct Install Lighting and Water Heating Initiative	Projects	-	-	-	-	-	-	-	47	-	-	47	-	-	-	-	47				
75	New Construction and Major Renovation Initiative	Projects	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	1				
76	Existing Building Commissioning Incentive Initiative	Projects	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-	1				
	Sub-total: Commercial & Institutional Program																					
	Industrial Program																					
77	Process and Systems Upgrades Initiatives - Project Incentive Initiative	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
78	Process and Systems Upgrades Initiatives - Energy Manager Initiative	Projects	-	-	-	-	-	-	-	5	-	-	5	-	-	-	-	5				
79	Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiat	Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Sub-total: Industrial Program																					
	Low Income Program																					
80	Low Income Initiative	Homes	-	-	-	-	-	-	-	2	-	-	2	-	-	-	-	2				
	Sub-total: Low-Income Program																					
	Other																					
81	Aboriginal Conservation Program	Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
82	Program Enabled Savings	Claims	1	-	-	-	-	-	1	1	-	-	1	-	-	-	-	1	100			100
	Sub-total: Other																					
	Sub-total: 2011-2014+2015 Extension Legacy Framework																					
	Total																					

Participation Group	Net Incremental 2020 Annual Energy Savings																					
	Forecasted (kWh)							Verified (kWh)									Progress (%)				2015-2020 CFF LDC CDM Plan Allocated Target (kWh)	Progress versus Target (%)
	2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		
	-	-	-	-	-	-	-	-	-	-	-	566,176	64,552	630,728	497,523	1,128,251						
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	418,242	418,242						
	-	-	-	-	-	-	-	-	-	-	-	106,387	1,977	108,364	67,894	176,258						
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	2,326	2,661	-	-	-	-	4,987	-	-	-	-	2,661	-	2,661	10,395	13,056	-	100		262		
	2,326	2,661	-	-	-	-	4,987	-	-	-	-	675,224	66,529	741,753	994,054	1,735,807	-	27,875		34,807		
	76,159	-	-	-	-	-	76,159	-	-	-	-	-	-	-	-	-	-			-		
	1,747,175	2,303,157	1,737,959	734,038	603,524	285,591	7,411,444	-	17,921	-	17,921	2,303,157	465,001	2,768,158	1,804,151	4,590,230	1	120	104	79		
	71,527	271,274	290,157	124,958	39,182	-	797,098	-	-	-	-	271,274	54,736	326,010	593,836	919,846	-	120	205	145		
	425,850	152,197	57,000	57,000	57,000	114,000	863,047	-	-	-	-	152,197	-	152,197	53,016	205,213	-	100	93	32		
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	-	-	98,400	147,600	-	-	246,000	-	-	-	-	-	-	-	-	-			-	-		
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	283,809	-	-	133,000	47,500	-	464,309	-	-	-	-	-	-	-	-	-	-			-		
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	2,604,520	2,726,628	2,183,516	1,196,596	747,206	399,591	9,858,057	-	17,921	-	17,921	2,726,628	519,737	3,246,365	2,451,003	5,715,289	1	119	112	76		
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	2,793,846	2,729,289	2,183,516	1,196,596	747,206	399,591	10,050,044	-	17,921	90,118	108,039	3,401,852	586,266	3,988,118	3,445,057	7,541,214	4	146	158	98		
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	253,274	566,176	260,280	260,280	260,280	216,900	1,817,190	85,119	22,927	-	108,046	-	-	-	-	108,046	43	-	-	10		
	-	-	-	-	-	-	-	143,732	1,496	-	145,228	-	-	-	-	145,228						
	66,343	106,387	27,895	53,422	25,528	-	279,575	65,698	645	-	66,343	-	-	-	-	66,343	100	-	-	33		
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	319,617	672,563	288,175	313,702	285,808	216,900	2,096,765	294,549	25,068	-	319,617	-	-	-	-	319,617	100	-	-	25		
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	40,750	-	-	-	-	-	40,750	40,750	-	-	40,750	-	-	-	-	40,750	100			100		
	40,750	-	-	-	-	-	40,750	40,750	-	-	40,750	-	-	-	-	40,750	100			100		
	360,367	672,563	288,175	313,702	285,808	216,900	2,137,515	2,598,020	351,272	6,159	2,955,451	-	-	-	-	2,955,451	820	-	-	224		
	3,154,213	3,401,852	2,471,691	1,510,298	1,033,014	616,491	12,187,559	2,598,020	369,193	96,277	3,063,490	3,401,852	586,266	3,988,118	3,445,057	10,496,665	97	117	139	116	11,680,000	90

Net Incremental 2020 Annual Energy Savings	Net Incremental 2020 Annual Peak Demand Savings																				Net Incremental 2020 Annual Peak Demand Savings	Net Incremental First Year Energy Savings				
	Forecasted (kW)							Verified (kW)									Progress (%)					Forecasted (kWh)				
	2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019
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	16	-	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-			-		76,159	-	-	-	-
	256	385	291	119	101	44	1,196	-	5	-	5	385	55	440	421	866	2	114	145	93		1,747,175	2,303,157	1,737,959	734,038	603,524
	16	54	41	18	6	-	135	-	-	-	-	54	11	65	145	210	-	120	354	189		71,527	271,274	290,157	124,958	39,182
	66	37	18	18	18	36	193	-	-	-	-	37	-	37	10	47	-	100	56	39		425,850	152,197	57,000	57,000	57,000
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	44	-	-	15	5	-	64	-	-	-	-	-	-	-	-	-	-			-		283,809	-	-	133,000	47,500
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	398	476	362	188	130	80	1,634	-	5	-	5	476	66	542	576	1,123	1	114	159	91		2,604,520	2,726,628	2,183,516	1,196,596	747,206
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	413	476	362	188	130	80	1,649	-	5	12	17	545	71	616	660	1,293	4	129	182	103		2,793,846	2,729,289	2,183,516	1,196,596	747,206
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	17	37	18	18	18	15	123	6	1	-	7	-	-	-	-	7	41	-	-	10		253,274	566,176	260,280	260,280	260,280
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	35	32	19	29	10	-	125	35	-	-	35	-	-	-	-	35	100	-	-	41		66,343	106,387	27,895	53,422	25,528
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	52	69	37	47	28	15	248	51	1	-	52	-	-	-	-	52	100	-	-	33		319,617	672,563	288,175	313,702	285,808
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	57	69	37	47	28	15	253	397	58	2	457	-	-	-	-	457	802	-	-	280		360,367	672,563	288,175	313,702	285,808
	470	545	399	235	158	95	1,902	397	63	14	474	545	71	616	660	1,750	101	113	165	124		3,154,213	3,401,852	2,471,691	1,510,298	1,033,014

2020	Total	Verified (kWh) 2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Progress (%) Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total
-	-	-	-	-	-	566,176	64,552	630,728	618,234	**1,248,962**				
-	-	-	-	-	-	-	-	-	577,532	**577,532**				
-	-	-	-	-	-	106,387	1,977	108,364	67,894	**176,258**				
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-	**4,987**	-	-	-	-	2,661	-	2,661	10,395	**13,056**	-	100		**262**
-	**4,987**	**-**	**-**	**-**	**-**	**675,224**	**66,529**	**741,753**	**1,274,055**	**2,015,808**	**-**	**27,875**		**40,421**
-	**76,159**	-	-	-	-	-	-	-	-	-	-			-
285,591	**7,411,444**	-	17,921	-	17,921	2,356,545	411,613	2,768,158	1,798,912	**4,584,991**	1	120	104	**79**
-	**797,098**	-	-	-	-	304,897	62,454	367,351	596,919	**964,270**	-	135	206	**152**
114,000	**863,047**	-	-	-	-	152,197	-	152,197	53,016	**205,213**	-	100	93	**32**
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-	**246,000**	-	-	-	-	-	-	-	-	-			-	-
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-	**464,309**	-	-	-	-	-	-	-	-	-	-			-
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399,591	**9,858,057**	**-**	**17,921**	**-**	**17,921**	**2,813,639**	**474,067**	**3,287,706**	**2,448,847**	**5,754,474**	**1**	**121**	**112**	**77**
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-	**187,000**	-	-	90,118	90,118	-	-	-	-	**90,118**	48			**48**
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399,591	**10,050,044**	**-**	**17,921**	**90,118**	**108,039**	**3,488,863**	**540,596**	**4,029,459**	**3,722,902**	**7,860,400**	**4**	**148**	**171**	**102**
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-	-	3,267	-	-	3,267	-	-	-	-	**3,267**				
216,900	**1,817,190**	85,913	23,142	-	109,055	-	-	-	-	**109,055**	43	-	-	**10**
-	-	146,333	1,514	-	147,847	-	-	-	-	**147,847**				
-	**279,575**	65,698	645	-	66,343	-	-	-	-	**66,343**	100	-	-	**33**
-	-	-	-	-	-	-	-	-	-	-				
216,900	**2,096,765**	**301,211**	**25,301**	**-**	**326,512**	**-**	**-**	**-**	**-**	**326,512**	**102**	**-**	**-**	**26**
-	-	71,357	4,802	-	76,159	-	-	-	-	**76,159**				
-	-	1,703,597	31,501	-8,635	1,726,463	-	-	-	-	**1,726,463**				
-	-	113,027	-	-41,352	71,675	-	-	-	-	**71,675**				
-	-	425,850	-	-	425,850	-	-	-	-	**425,850**				
-	-	57,642	-	-	57,642	-	-	-	-	**57,642**				
-	**-**	**2,371,473**	**36,303**	**-49,987**	**2,357,789**	**-**	**-**	**-**	**-**	**2,357,789**				
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-	-	283,809	-	-	283,809	-	-	-	-	**283,809**				
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-	**-**	**283,809**	**-**	**-**	**283,809**	**-**	**-**	**-**	**-**	**283,809**				
-	-	2,983	-	-	2,983	-	-	-	-	**2,983**				
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-	**40,750**	40,750	-	-	40,750	-	-	-	-	**40,750**	100			**100**
-	**40,750**	**40,750**	**-**	**-**	**40,750**	**-**	**-**	**-**	**-**	**40,750**	**100**			**100**
216,900	**2,137,515**	**3,000,226**	**61,604**	**-49,987**	**3,011,843**	**-**	**-**	**-**	**-**	**3,011,843**	**836**	**-**	**-**	**228**
616,491	**12,187,559**	**3,000,226**	**79,525**	**40,131**	**3,119,882**	**3,488,863**	**540,596**	**4,029,459**	**3,722,902**	**10,872,243**	**99**	**118**	**151**	**120**

Net Incremental First Year Energy Savings

Net Incremental First Year Peak Demand Savings

Forecasted (kW) 2015	2016	2017	2018	2019	2020	Total	Verified (kW) 2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments
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16	-	-	-	-	-	**16**	-	-	-
256	385	291	119	101	44	**1,196**	-	5	-
16	54	41	18	6	-	**135**	-	-	-
66	37	18	18	18	36	**193**	-	-	-
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-	-	12	18	-	-	**30**	-	-	-
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44	-	-	15	5	-	**64**	-	-	-
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398	**476**	**362**	**188**	**130**	**80**	**1,634**	**-**	**5**	**-**
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413	**476**	**362**	**188**	**130**	**80**	**1,649**	**-**	**5**	**12**
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17	37	18	18	18	15	**123**	6	1	-
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35	32	19	29	10	-	**125**	35	-	-
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52	**69**	**37**	**47**	**28**	**15**	**248**	**52**	**1**	**-**
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57	**69**	**37**	**47**	**28**	**15**	**253**	**475**	**11**	**-13**
470	**545**	**399**	**235**	**158**	**95**	**1,902**	**475**	**16**	**-1**

						Progress (%)				Net Incremental First Year Peak Demand Savings	Net-to-Gross Adjustment - Energy: Forecasted (%)							Verified (%)									Comparison (%)	
Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019	2020	Total	2015 Verified Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results
-	37	4	41	43	84																	150	150	150	129			
-	-	-	-	40	40																				133			
-	32	1	33	19	52																	71	71	71	78			
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-	69	5	74	103	177																							
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5	396	44	440	420	865	2	114	144	93		100	100	72	73	72	72			100		100	97	97	97	90		-	-3
-	58	12	70	146	216	-	130	356	195		100	100	94	94	94							103	103	103	83			3
-	37	-	37	10	47	-	100	56	39		100	100	54	54	54	54						64		64	57			-36
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5	491	56	547	576	1,128	1	115	159	91																			
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17	560	61	621	679	1,317	4	130	188	105																			
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7	-	-	-	-	7	41	-	-	10		100	100	100	100	100	100		164	164		164						64	
10	-	-	-	-	10													164	164		164							
35	-	-	-	-	35	100	-	-	41		100	100	48	47	47			45	45		45						-55	
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53	-	-	-	-	53	102	-	-	34																			
16	-	-	-	-	16													86	86		86							
255	-	-	-	-	255													71	76	89	71							
16	-	-	-	-	16													89		89	89							
66	-	-	-	-	66													50			50							
18	-	-	-	-	18													95			95							
371	-	-	-	-	371																							
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44	-	-	-	-	44													75			75							
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473	-	-	-	-	473	830	-	-	290																			
490	560	61	621	679	1,790	104	114	170	127																			

2017 Verified 2017 Results	Total	Net-to-Gross Adjustment - Energy	Net-to-Gross Adjustment - Peak Demand: Forecasted (%) 2015	2016	2017	2018	2019	2020	Total	Verified (%) 2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Comparison (%) Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Net-to-Gross Adjustment - Peak Demand	Realization Rate - Energy: Verified (%) 2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results
														148	133	146	130										
																	138										
														73	100	73	79										
																	100										
			100																								
18			100	100	73	76	74	75			100		100	97	96	96	112		-	-4	39				101		101
-11			100	100	93	95	100							95	92	95	83			-5	-10						
3			100	100	53	53	53	54						65		65	56			-35	3						
					86	86																					
			100			94	83																				
			100									100	100						-							48	48
										100			100											100			100
			100	100	100	100	100	100		200	100		175						75					100	102		100
										167			167											100	97		100
			100	100	51	49	45			45	-		45						-55					100	116		100
										83	100		84											100			107
										68	75	100	68											104	105	-508	103
										87		91	84											68			43
										50			50											113			113
										90			90											100			100
										81			81											101			101
																								80			80
			100							100			100						-					102			102

					Realization Rate - Energy	Realization Rate - Peak Demand									Realization Rate - Peak Demand	Gross Incremental First Year Energy Savings							
						Verified (%)										Forecasted (kWh)							Verified (kWh)
2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results
163	177	164	274							167	150	165	275			-	-	-	-	-	-	-	-
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112	112	112	109							110	100	110	71			-	-	-	-	-	-	-	-
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65		65	70							-		-	17			2,326	2,661	-	-	-	-	4,987	-
																2,326	2,661	-	-	-	-	4,987	-
																76,159	-	-	-	-	-	76,159	-
97	105	98	102				100		100	96	131	99	110			1,747,175	2,303,157	2,411,692	1,001,062	836,880	396,441	8,696,407	-
74		90	87							53		64	67			71,527	271,274	308,677	132,934	41,683	-	826,095	-
123		123	114							121		121	113			425,850	152,197	105,555	105,555	105,555	211,111	1,105,823	-
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																283,809	-	-	140,000	50,000	-	473,809	-
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																2,604,520	2,726,628	2,945,924	1,559,551	1,034,118	607,552	11,478,293	-
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						100	50		80							253,274	566,176	260,280	260,280	260,280	216,900	1,817,190	52,483
						100			100							-	-	-	-	-	-	-	89,393
						100			101							66,343	106,387	58,654	113,130	54,476	-	398,990	145,547
																-	-	-	-	-	-	-	-
																319,617	672,563	318,934	373,410	314,756	216,900	2,216,180	294,544
						100			106							-	-	-	-	-	-	-	82,968
						79	80	-100	78							-	-	-	-	-	-	-	2,399,823
						58			37							-	-	-	-	-	-	-	126,937
						73			73							-	-	-	-	-	-	-	851,700
						143			143							-	-	-	-	-	-	-	60,772
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						117			117							-	-	-	-	-	-	-	378,412
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						100			100							40,750	-	-	-	-	-	40,750	40,750
																40,750	-	-	-	-	-	40,750	40,750
																360,367	672,563	318,934	373,410	314,756	216,900	2,256,930	4,238,889
																3,154,213	3,401,852	3,264,858	1,932,961	1,348,874	824,452	13,927,210	4,238,889

h)								Progress (%)				Gross Incremental First Year Energy Savings	Gross Incremental First Year Peak Demand Savings: Forecasted (kW)							Verified (kW)					
2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments
-	-	-	378,082	43,107	421,189	479,095	900,284						-	-	-	-	-	-	-	-	-	-	-	25	3
-	-	-	-	-	-	433,191	433,191						-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	150,667	2,797	153,464	87,201	240,665						-	-	-	-	-	-	-	-	-	-	-	44	1
-	-	-	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	2,661	-	2,661	10,395	13,056	-	100		262		-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	531,410	45,904	577,314	1,009,882	1,587,196	-	21,695		31,827		-	-	-	-	-	-	-	-	-	-	-	69	4
-	-	-	-	-	-	-	-	-			-		16	-	-	-	-	-	16	-	-	-	-	-	-
17,921	-	17,921	2,431,204	424,654	2,855,858	2,002,149	4,875,928	1	124	83	75		256	385	396	157	137	59	1,390	-	5	-	5	410	46
-	-	-	297,014	60,840	357,854	719,798	1,077,652	-	132	233	165		16	54	44	19	6	-	139	-	-	-	-	61	13
-	-	-	237,108	-	237,108	93,636	330,744	-	156	89	48		66	37	34	34	34	67	272	-	-	-	-	57	-
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17,921	-	17,921	2,965,326	485,494	3,450,820	2,815,583	6,284,324	1	127	96	76		398	476	488	247	183	126	1,918	-	5	-	5	528	59
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-	90,118	90,118	-	-	-	-	90,118	48			48		15	-	-	-	-	-	15	-	-	12	12	-	-
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-	90,118	90,118	-	-	-	-	90,118	48			48		15	-	-	-	-	-	15	-	-	12	12	-	-
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17,921	90,118	108,039	3,496,736	531,398	4,028,134	3,825,465	7,961,638	4	148	130	94		413	476	488	247	183	126	1,933	-	5	12	17	597	63
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14,137	-	66,620	-	-	-	-	66,620	26	-	-	6		17	37	18	18	18	15	123	3	1	-	4	-	-
925	-	90,318	-	-	-	-	90,318						-	-	-	-	-	-	-	6	-	-	6	-	-
1,428	-	146,975	-	-	-	-	146,975	222	-	-	64		35	32	37	59	22	-	185	77	1	-	78	-	-
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16,490	-	311,034	-	-	-	-	311,034	97	-	-	24		52	69	55	77	40	15	308	87	2	-	89	-	-
5,583	-	88,551	-	-	-	-	88,551						-	-	-	-	-	-	-	18	1	-	19	-	-
41,677	-9,650	2,431,850	-	-	-	-	2,431,850						-	-	-	-	-	-	-	367	12	-3	376	-	-
-	-46,441	80,496	-	-	-	-	80,496						-	-	-	-	-	-	-	30	-	-11	19	-	-
-	-	851,700	-	-	-	-	851,700						-	-	-	-	-	-	-	132	-	-	132	-	-
-	-	60,772	-	-	-	-	60,772						-	-	-	-	-	-	-	20	-	-	20	-	-
47,260	-56,091	3,513,369	-	-	-	-	3,513,369						-	-	-	-	-	-	-	567	13	-14	566	-	-
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-	-	378,412	-	-	-	-	378,412						-	-	-	-	-	-	-	54	-	-	54	-	-
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-	-	378,412	-	-	-	-	378,412						-	-	-	-	-	-	-	54	-	-	54	-	-
-	-	2,983	-	-	-	-	2,983						-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	40,750	-	-	-	-	40,750	100			100		5	-	-	-	-	-	5	5	-	-	5	-	-
-	-	40,750	-	-	-	-	40,750	100			100		5	-	-	-	-	-	5	5	-	-	5	-	-
63,750	-56,091	4,246,548	-	-	-	-	4,246,548	1,178	-	-	314		57	69	55	77	40	15	313	713	15	-14	714	-	-
81,671	34,027	4,354,587	3,496,736	531,398	4,028,134	3,825,465	12,208,186	138	118	117	124		470	545	543	324	223	141	2,246	713	20	-2	731	597	63

			Progress (%)				Gross Incremental First Year Peak Demand Savings	Savings Group	Participant Incentive Spending: Forecasted ($)							Verified ($)									Progress (%)	
Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total			2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results
28	33	61							-	-	-	-	-	-	-	-	-	-	-	34,037	-	34,037	82,002	116,039		
-	29	29							-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,871	19,871		
45	24	69							-	-	-	-	-	-	-	-	-	-	-	55,150	-	55,150	19,050	74,200		
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-	1	1							-	1,421	-	-	-	-	1,421	-	-	-	-	1,421	-	1,421	8,070	9,491		100
73	87	160							-	1,421	-	-	-	-	1,421	-	-	-	-	90,608	-	90,608	128,993	219,601		6,376
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456	375	836	2	118	95	81			-	159,156	280,500	108,000	97,000	40,500	685,156	-	-	-	-	159,156	-	159,156	216,492	375,648		100
74	176	250	-	137	400	219			-	48,093	103,200	33,400	7,850	-	192,543	-	-	-	-	48,093	-	48,093	125,129	173,222		100
57	18	75	-	154	53	55			-	6,074	5,000	5,000	5,000	10,000	31,074	-	-	-	-	6,074	-	6,074	18,302	24,376		100
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587	569	1,161	1	123	117	85			-	213,323	413,700	223,800	124,850	50,500	1,026,173	-	-	-	-	213,323	-	213,323	369,923	583,246		100
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660	656	1,333	4	139	134	97			-	214,744	413,700	223,800	124,850	50,500	1,027,594	-	-	-	-	303,931	-	303,931	498,916	802,847		142
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-	-	78	223	-	-	75			-	55,150	17,500	30,000	12,500	-	115,150	-	-	-	-	-	-	-	-	-		-
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-	-	89	171	-	-	51			-	89,187	71,500	75,000	57,500	37,500	330,687	-	-	-	-	-	-	-	-	-		-
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-	-	714	1,253	-	-	394			-	89,187	71,500	75,000	57,500	37,500	330,687	-	-	-	-	-	-	-	-	-		-
660	656	2,047	156	121	121	131			-	303,931	485,200	298,800	182,350	88,000	1,358,281	-	-	-	-	303,931	-	303,931	498,916	802,847		100

		Participant Incentive Spending	LDC Administrative Expense Spending																				LDC Administrative Expense Spending	IESO Value Added S		
			Forecasted ($)							Verified ($)									Progress (%)					Forecasted ($)		
2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017
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	668		-	2,970	-	-	-	-	2,970	-	-	-	-	2,962	-	2,962	2,937	5,899		100		199		-	-	-
	15,454		-	2,970	-	-	-	-	2,970	-	-	-	-	7,228	-	7,228	6,337	13,565		243		457		-	-	-
			-	-	-	-	-	-	-	-	-	-	-	199	-	199	192	391						-	-	-
77	85		-	91,000	148,000	164,000	160,000	159,000	722,000	-	-	-	-	90,452	525	90,977	107,755	198,732		100	73	83		-	-	-
121	114		-	8,000	12,750	12,750	6,750	2,000	42,250	-	-	-	-	7,946	-	7,946	18,470	26,416		99	145	127		-	-	7,696
366	220		-	1,700	6,500	6,500	6,500	6,500	27,700	-	-	-	-	1,700	-	1,700	3,791	5,491		100	58	67		-	-	-
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			-	8,100	350	350	-	-	8,800	-	-	-	-	8,100	-	8,100	-	8,100		100	-	96		-	-	-
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89	93		-	108,800	169,100	184,600	174,250	169,500	806,250	-	-	-	-	108,774	525	109,299	133,232	242,531		100	79	87		-	-	7,696
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103	102		-	121,070	171,300	186,600	176,250	171,000	826,220	-	-	-	-	116,002	525	116,527	139,569	256,096		96	81	88		-	-	17,816

ervice Provider Cost / Variable Program Cost Administrative Expense Spending																	IESO Value Added Service Provider Cost / Variable Program Cost Administrative Expense Spending	Total Administrative Expense Spending								
				Verified ($)									Progress (%)					Forecasted ($)							Verified ($)	
2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments
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3,182	888	-	11,766	-	-	-	-	-	-	-	-	-			-	-		-	8,000	20,446	15,932	7,638	2,000	54,016	-	-
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3,182	888	-	11,766	-	-	-	-	-	-	-	-	-			-	-		-	108,800	176,796	187,782	175,138	169,500	818,016	-	-
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4,500	4,500	3,750	21,750	-	-	-	-	-	-	-	-	-			-	-		-	5,400	10,100	5,500	5,500	4,750	31,250	-	-
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6,420	5,300	3,750	25,590	-	-	-	-	-	-	-	-	-			-	-		-	9,300	12,320	8,420	7,300	5,250	42,590	-	-
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6,420	5,300	3,750	25,590	-	-	-	-	-	-	-	-	-			-	-		-	9,300	12,320	8,420	7,300	5,250	42,590	-	-
9,602	6,188	3,750	37,356	-	-	-	-	4,989	-	4,989	9,064	14,053			51	79		-	121,070	189,116	196,202	182,438	174,750	863,576	-	-

											Total Administrative Expense Spending	Total 2015-2020 CFF LDC CDM Plan Budget Spending													
							Progress (%)					Forecasted ($)							Verified ($)						
2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results	2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total		2015	2016	2017	2018	2019	2020	Total	2015 Verified 2015 Results	2016 Verified 2015 Results Adjustments	2017 Verified 2015 Results Adjustments	Total Verified 2015 Results	2016 Verified 2016 Results	2017 Verified 2016 Results Adjustments	Total Verified 2016 Results
-	-	5,454	-	5,454	10,885	**16,339**						-	-	-	-	-	-	-	-	-	-	-	39,491	-	39,491
-	-	-	-	-	931	**931**						-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	3,801	-	3,801	648	**4,449**						-	-	-	-	-	-	-	-	-	-	-	58,951	-	58,951
-	-	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	2,962	-	2,962	2,937	**5,899**		100		**199**		-	4,391	-	-	-	-	**4,391**	-	-	-	-	4,383	-	4,383
-	**-**	**12,217**	**-**	**12,217**	**15,401**	**27,618**		**411**		**930**		**-**	**4,391**	**-**	**-**	**-**	**-**	**4,391**	**-**	**-**	**-**	**-**	**102,825**	**-**	**102,825**
-	-	199	-	199	192	**391**						-	-	-	-	-	-	-	-	-	-	-	199	-	199
-	-	90,452	525	90,977	107,755	**198,732**		100	73	**83**		-	250,156	428,500	272,000	257,000	199,500	**1,407,156**	-	-	-	-	249,608	525	250,133
-	-	7,946	-	7,946	18,470	**26,416**		99	90	**93**		-	56,093	123,646	49,332	15,488	2,000	**246,559**	-	-	-	-	56,039	-	56,039
-	-	1,700	-	1,700	3,791	**5,491**		100	58	**67**		-	7,774	11,500	11,500	11,500	16,500	**58,774**	-	-	-	-	7,774	-	7,774
-	-	1	-	1	-	**1**						-	-	-	-	-	-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	-			-	-		-	-	26,500	38,500	1,000	2,000	**68,000**	-	-	-	-	-	-	-
-	-	376	-	376	3,024	**3,400**						-	-	-	-	-	-	-	-	-	-	-	376	-	376
-	-	8,100	-	8,100	-	**8,100**		100	-	**96**		-	8,100	350	40,250	15,000	-	**63,700**	-	-	-	-	8,100	-	8,100
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-	**-**	**108,774**	**525**	**109,299**	**133,232**	**242,531**		**100**	**75**	**85**		**-**	**322,123**	**590,496**	**411,582**	**299,988**	**220,000**	**1,844,189**	**-**	**-**	**-**	**-**	**322,097**	**525**	**322,622**
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-	**-**	**120,991**	**525**	**121,516**	**148,633**	**270,149**		**109**	**84**	**94**		**-**	**326,514**	**590,496**	**411,582**	**299,988**	**220,000**	**1,848,580**	**-**	**-**	**-**	**-**	**424,922**	**525**	**425,447**
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-	**-**	**120,991**	**525**	**121,516**	**148,633**	**270,149**		**100**	**79**	**87**		**-**	**425,001**	**674,316**	**495,002**	**364,788**	**262,750**	**2,221,857**	**-**	**-**	**-**	**-**	**424,922**	**525**	**425,447**

		Progress (%)							
2017 Verified 2017 Results	Total	Total Verified 2015 Results	Total Verified 2016 Results	2017 Verified 2017 Results	Total	2015-2020 CFF LDC CDM Plan Allocated Budget ($)	Progress versus Budget (%)	Total 2015-2020 CFF LDC CDM Plan Budget Spending	Spending Group
92,887	**132,378**								
20,802	**20,802**								
19,698	**78,649**								
-	**-**								
11,007	**15,390**		100		**350**				
144,394	**247,219**		**2,342**		**5,630**				
192	**391**								
324,247	**574,380**		100	76	**85**				
143,599	**199,638**		100	116	**111**				
22,093	**29,867**		100	192	**155**				
-	**1**								
-	**-**			-	**-**				
13,024	**13,400**								
-	**8,100**		100	-	**96**				
-	**-**								
-	**-**								
-	**-**								
503,155	**825,777**		**100**	**85**	**90**				
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647,549	**1,072,996**		**130**	**110**	**117**				
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647,549	**1,072,996**		**100**	**96**	**98**	**2,993,633**	**36**		

Savings Persistence Report

For: Niagara-on-the-Lake Hydro Inc.

#	Program / Initiative Name	Gross Verified Annual Energy Savings (kWh) 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
2015 Verified 2015 Results																			
67	Appliance Retirement Initiative	7,121	7,121	7,121	7,121	5,247	-	-	-	-	-	-	-	-	-	-	-	-	-
68	Coupon Initiative	52,483	51,998	51,998	51,998	51,998	51,998	51,998	51,987	51,987	51,987	48,253	48,092	48,092	47,940	47,940	47,921	17,365	17,365
69	Bi-Annual Retailer Event Initiative	89,393	87,804	87,804	87,804	87,804	87,804	87,804	87,758	87,758	87,758	80,925	76,759	76,759	75,108	75,108	74,932	27,760	27,760
70	HVAC Incentives Initiative	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547	145,547
72	Energy Audit Initiative	82,968	82,968	82,968	82,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73	Efficiency: Equipment Replacement Incentive Initiative	2,399,823	2,399,823	2,392,286	2,392,286	2,392,286	2,392,286	2,327,844	2,327,844	2,224,911	2,011,032	1,472,863	1,446,146	484,394	484,394	484,394	415,995	344,646	344,646
74	Direct Install Lighting and Water Heating Initiative	126,937	107,703	80,330	80,330	80,330	80,330	80,330	80,330	80,330	80,330	80,330	17,532	-	-	-	-	-	-
75	New Construction and Major Renovation Initiative	851,700	851,700	414,612	414,612	414,612	414,612	414,612	414,612	414,612	414,612	414,612	414,612	367,612	367,612	367,612	-	-	-
76	Existing Building Commissioning Incentive Initiative	60,772	60,772	60,772	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78	Process and Systems Upgrades Initiatives - Energy Manager Initiative	378,412	378,412	378,412	378,412	378,412	378,412	378,412	129,968	17,448	17,448	-	-	-	-	-	-	-	-
80	Low Income Initiative	2,983	2,510	2,418	2,326	2,326	2,326	2,326	2,326	1,614	1,614	1,461	1,461	1,461	1,461	561	479	479	479
82	Program Enabled Savings	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	-	-	-	-	-	-	-
Subtotal: 2015 Verified 2015 Results		**4,238,889**	**4,217,108**	**3,745,018**	**3,684,154**	**3,599,312**	**3,594,065**	**3,529,623**	**3,281,122**	**3,064,957**	**2,851,078**	**2,284,741**	**2,150,149**	**1,123,865**	**1,122,062**	**1,121,162**	**684,874**	**535,797**	**535,797**
2016 Verified 2015 Results Adjustments																			
89	Save on Energy Retrofit Program	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	-	-	-	-	-	-	-	-
150	Coupon Initiative	14,137	14,006	14,006	14,006	14,006	14,006	14,006	14,002	14,002	14,002	13,804	13,796	13,796	13,778	13,778	13,764	4,932	4,932
151	Bi-Annual Retailer Event Initiative	925	914	914	914	914	914	914	912	912	912	773	767	767	743	743	740	309	309
152	HVAC Incentives Initiative	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
154	Energy Audit Initiative	5,583	5,583	5,583	5,583	88,551	88,551	88,551	88,551	88,551	88,551	88,551	88,551	88,551	61,986	-	-	-	-
155	Efficiency: Equipment Replacement Incentive Initiative	41,677	41,677	41,677	41,677	41,677	41,677	41,677	41,677	41,677	41,677	41,677	12,149	12,149	12,149	12,149	10,031	2,285	2,285
157	New Construction and Major Renovation Initiative	-	-	437,089	437,089	437,089	437,089	437,089	437,089	437,089	437,089	437,089	437,089	-	-	-	-	-	-
Subtotal: 2016 Verified 2015 Results Adjustments		**81,671**	**81,529**	**518,618**	**518,618**	**601,586**	**601,586**	**601,586**	**601,580**	**601,580**	**601,580**	**583,322**	**553,780**	**116,691**	**90,084**	**28,098**	**25,963**	**8,954**	**8,954**
2017 Verified 2015 Results Adjustments																			
197	Conservation Cultivator LDC Innovation Fund Pilot Program	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	78,912	78,912	78,912	78,912	-	-	-
237	Efficiency: Equipment Replacement Incentive Initiative	-9,650	-9,650	-2,113	158	158	158	64,599	64,599	74,662	59,472	6,017	158	-7,087	-7,087	-7,087	-7,271	-7,943	-7,943
238	Direct Install Lighting and Water Heating Initiative	-46,441	-27,207	166	8,072	8,072	8,072	8,072	8,072	8,072	8,072	8,072	7,003	-	-	-	-	-	-
Subtotal: 2017 Verified 2015 Results Adjustments		**34,027**	**53,261**	**88,171**	**98,348**	**98,348**	**98,348**	**162,789**	**162,789**	**172,852**	**157,662**	**104,207**	**86,073**	**71,825**	**71,825**	**71,825**	**-7,271**	**-7,943**	**-7,943**
2016 Verified 2016 Results																			
247	Save on Energy Coupon Program	-	378,082	378,082	378,082	378,082	378,082	378,082	378,082	378,031	378,031	376,350	371,702	371,489	371,489	369,535	316,752	316,752	137,774
249	Save on Energy Heating & Cooling Program	-	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667	150,667
251	Save on Energy Home Assistance Program	-	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,256	2,256	2,206	2,206	2,206	2,206	2,206
253	Save on Energy Retrofit Program	-	2,431,204	2,376,125	2,376,125	2,376,125	2,376,125	2,293,723	2,293,723	2,293,723	2,293,723	2,293,723	2,293,500	1,692,513	511,763	511,763	396,834	1,464	1,464
254	Save on Energy Small Business Lighting Program	-	297,014	297,014	296,457	292,048	264,261	238,404	185,502	138,852	54,231	29,258	17,649	15,622	4,223	4,223	4,223	4,223	4,223
255	Save on Energy High Performance New Construction Program	-	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	237,108	206,743	189,715
Subtotal: 2016 Verified 2016 Results		**-**	**3,496,736**	**3,441,657**	**3,441,100**	**3,436,691**	**3,408,904**	**3,300,645**	**3,247,743**	**3,201,042**	**3,116,421**	**3,089,767**	**3,072,882**	**2,469,655**	**1,277,456**	**1,275,502**	**1,107,790**	**682,055**	**486,049**
2017 Verified 2016 Results Adjustments																			
329	Save on Energy Coupon Program	-	43,107	43,107	43,107	43,107	43,107	43,107	43,107	43,103	43,103	43,163	43,190	43,228	43,228	43,120	37,244	37,244	14,661
331	Save on Energy Heating & Cooling Program	-	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797
335	Save on Energy Retrofit Program	-	424,654	479,733	479,733	479,733	479,733	479,733	479,733	479,733	431,891	431,891	431,747	333,382	-	-	-	-	-
336	Save on Energy Small Business Lighting Program	-	60,840	60,840	60,617	59,293	53,321	45,821	36,015	27,227	13,186	9,338	7,795	7,180	2,009	2,009	2,009	2,009	2,009
Subtotal: 2017 Verified 2016 Results Adjustments		**-**	**531,398**	**586,477**	**586,254**	**584,930**	**578,958**	**571,458**	**561,652**	**552,860**	**490,977**	**487,189**	**485,529**	**386,587**	**48,034**	**47,926**	**42,050**	**42,050**	**19,467**
2017 Verified 2017 Results																			
411	Save on Energy Coupon Program	-	-	479,095	385,552	385,552	385,552	385,552	385,552	385,552	385,548	385,548	384,600	376,548	376,488	376,488	376,459	320,009	320,009
412	Save on Energy Instant Discount Program	-	-	433,191	310,003	310,003	310,003	310,003	310,003	310,003	309,995	309,995	309,995	305,446	305,066	305,066	255,395	255,395	195,047
413	Save on Energy Heating & Cooling Program	-	-	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201	87,201
415	Save on Energy Home Assistance Program	-	-	10,395	10,395	10,395	10,395	10,395	10,395	10,395	10,395	10,395	10,395	9,340	9,340	9,340	9,340	9,081	8,926
417	Save on Energy Retrofit Program	-	-	2,002,149	2,007,980	2,007,980	2,007,980	2,007,980	1,969,326	1,969,326	1,969,326	1,968,784	1,968,784	1,901,476	1,699,446	697,261	592,374	178,261	-
418	Save on Energy Small Business Lighting Program	-	-	719,798	719,798	719,244	716,081	710,345	670,467	584,771	494,935	298,487	153,154	48,835	30,430	19,553	8,218	-	-
419	Save on Energy High Performance New Construction Program	-	-	93,636	93,636	93,636	93,636	93,636	93,636	93,636	93,636	93,636	93,636	93,636	93,636	93,636	-	-	-
Subtotal: 2017 Verified 2017 Results		**-**	**-**	**3,825,465**	**3,614,565**	**3,614,011**	**3,610,848**	**3,605,112**	**3,526,580**	**3,440,884**	**3,351,036**	**3,154,046**	**3,007,765**	**2,822,482**	**2,601,607**	**1,588,545**	**1,328,987**	**849,947**	**611,183**
Total		**4,354,587**	**8,380,032**	**12,205,406**	**11,943,039**	**11,934,878**	**11,892,709**	**11,771,213**	**11,381,466**	**11,034,175**	**10,568,754**	**9,703,272**	**9,356,178**	**6,991,105**	**5,211,068**	**4,133,058**	**3,182,393**	**2,110,860**	**1,653,507**

2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17,365	17,365	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27,760	27,760	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
138,539	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344,646	344,646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
479	479	479	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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528,789	**390,250**	**479**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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4,932	4,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
309	309	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,285	2,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,954	**7,526**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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-7,943	-7,943	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-7,943	**-7,943**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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150,667	147,614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,206	2,206	2,206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,464	1,464	1,464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,223	4,223	1,375	784	784	784	784	784	-	-	-	-	-	-	-	-	-	-
64,403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
222,963	**155,507**	**5,045**	**784**	**784**	**784**	**784**	**784**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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2,797	2,734	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,009	2,009	662	382	382	382	382	382	-	-	-	-	-	-	-	-	-	-
4,806	**4,743**	**662**	**382**	**382**	**382**	**382**	**382**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
37,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87,201	87,201	86,436	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,926	8,926	8,926	8,926	3,584	3,584	3,584	3,584	3,584	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
297,921	**96,127**	**95,362**	**8,926**	**3,584**	**3,584**	**3,584**	**3,584**	**3,584**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1,055,490	**646,210**	**101,548**	**10,092**	**4,750**	**4,750**	**4,750**	**4,750**	**3,584**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Gross Verified Energy Savings

Gross Verified Annual Peak Demand Savings (kW)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
6	6	6	6	6	6	6	6	6	6	5	5	5	5	5	5	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	18	18	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
367	367	365	365	365	365	352	352	318	275	161	152	137	137	137	126	111	111	111	111	-	-	-	-	-	-	-	-	-	-	-	-	-
30	25	18	18	18	18	18	18	18	18	18	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	132	68	68	68	68	68	68	68	68	68	68	61	61	61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	20	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	54	54	54	54	54	54	13	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	5	5	5	5	5	5	5	5	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
713	**708**	**635**	**615**	**597**	**596**	**583**	**542**	**497**	**454**	**337**	**309**	**283**	**283**	**283**	**211**	**191**	**191**	**183**	**114**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5	5	5	5	5	5	5	5	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	1	1	1	19	19	19	19	19	19	19	19	19	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	12	12	12	12	12	12	12	12	12	12	2	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	64	64	64	64	64	64	64	64	64	64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**20**	**84**	**84**	**102**	**102**	**102**	**102**	**102**	**102**	**97**	**87**	**23**	**17**	**4**	**4**	**3**	**3**	**3**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
12	12	12	12	12	12	12	12	12	12	12	8	8	8	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-3	-3	-	-	-	-	13	13	18	14	2	-	-2	-2	-2	-2	-2	-2	-2	-2	-	-	-	-	-	-	-	-	-	-	-	-	-
-11	-7	-	2	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-2	**2**	**12**	**14**	**14**	**14**	**27**	**27**	**32**	**28**	**16**	**10**	**6**	**6**	**6**	**-2**	**-2**	**-2**	**-2**	**-2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	25	25	25	25	25	25	25	25	25	25	24	24	24	24	20	20	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	41	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	410	398	398	398	398	385	385	385	385	385	385	275	93	93	86	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-
-	61	61	61	60	57	54	44	35	16	10	7	6	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
-	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	46	39	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	**597**	**585**	**585**	**584**	**581**	**565**	**555**	**546**	**527**	**521**	**517**	**406**	**220**	**220**	**209**	**113**	**95**	**60**	**44**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	2	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
-	46	57	57	57	57	57	57	57	57	57	57	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	13	13	13	13	12	11	9	7	4	3	3	3	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
-	**63**	**74**	**74**	**74**	**73**	**72**	**70**	**68**	**65**	**64**	**64**	**43**	**5**	**5**	**4**	**4**	**3**	**2**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	33	27	27	27	27	27	27	27	27	27	25	25	25	25	21	21	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	29	21	21	21	21	21	21	21	21	21	20	20	20	17	17	13	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	23	-	-	-	-	-	-	-	-	-	-	-	-
-	-	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	375	376	376	376	376	370	370	370	370	370	357	318	82	52	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	176	176	176	175	175	169	156	136	86	46	14	9	5	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	18	18	18	18	18	18	18	18	18	18	18	18	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	**-**	**656**	**643**	**643**	**642**	**642**	**630**	**617**	**597**	**547**	**507**	**458**	**414**	**174**	**120**	**77**	**58**	**38**	**24**	**23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
731	**1,390**	**2,046**	**2,015**	**2,014**	**2,008**	**1,991**	**1,926**	**1,862**	**1,773**	**1,582**	**1,494**	**1,219**	**945**	**692**	**546**	**386**	**348**	**284**	**184**	**24**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2048	2049	2050	Gross Verified Peak Demand Savings	Gross Verified Savings	Net Verified Annual Energy Savings (kWh) 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
-	-	-			3,267	3,267	3,267	3,267	2,442	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			85,913	85,119	85,119	85,119	85,119	85,119	85,119	85,102	85,102	85,102	78,989	78,726	78,726	78,476	78,476	78,445	28,426	28,426	28,426	28,426	-	-	-	-	-	-
-	-	-			146,333	143,732	143,732	143,732	143,732	143,732	143,732	143,657	143,657	143,657	132,472	125,651	125,651	122,949	122,949	122,662	45,442	45,442	45,442	45,442	-	-	-	-	-	-
-	-	-			65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	65,698	62,534	-	-	-	-	-	-	-
-	-	-			71,357	71,357	71,357	71,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			1,703,597	1,703,597	1,697,753	1,697,753	1,697,753	1,697,753	1,659,705	1,659,705	1,581,164	1,454,662	1,134,788	1,117,463	371,683	371,683	371,683	319,623	266,462	266,462	266,462	266,462	-	-	-	-	-	-
-	-	-			113,027	95,901	71,527	71,527	71,527	71,527	71,527	71,527	71,527	71,527	71,527	15,611	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			425,850	425,850	207,306	207,306	207,306	207,306	207,306	207,306	207,306	207,306	207,306	207,306	183,806	183,806	183,806	-	-	-	-	-	-	-	-	-	-	-
-	-	-			57,642	57,642	57,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			283,809	283,809	283,809	283,809	283,809	283,809	283,809	97,476	13,086	13,086	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			2,983	2,510	2,418	2,326	2,326	2,326	2,326	2,326	1,614	1,614	1,461	1,461	1,461	1,461	561	479	479	479	479	479	479	-	-	-	-	-
-	-	-			40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	40,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			3,000,226	2,979,232	2,730,378	2,672,644	2,600,462	2,598,020	2,559,972	2,373,547	2,209,904	2,083,402	1,732,991	1,611,916	827,025	824,073	823,173	586,907	406,507	406,507	403,343	340,809	479	-	-	-	-	-
-	-	-			17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			23,142	22,927	22,927	22,927	22,927	22,927	22,927	22,921	22,921	22,921	22,597	22,583	22,583	22,554	22,554	22,531	8,074	8,074	8,074	8,074	-	-	-	-	-	-
-	-	-			1,514	1,496	1,496	1,496	1,496	1,496	1,496	1,492	1,492	1,492	1,265	1,255	1,255	1,217	1,217	1,212	506	506	506	506	-	-	-	-	-	-
-	-	-			645	645	645	645	645	645	645	645	645	645	645	645	645	645	645	645	645	645	645	-	-	-	-	-	-	-
-	-	-			4,802	4,802	4,802	4,802	76,159	76,159	76,159	76,159	76,159	76,159	76,159	76,159	76,159	53,311	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			31,501	31,501	31,501	31,501	31,501	31,501	31,501	31,501	31,501	31,501	31,501	8,603	8,603	8,603	8,603	7,073	1,477	1,477	1,477	1,477	-	-	-	-	-	-
-	-	-			-	-	218,544	218,544	218,544	218,544	218,544	218,544	218,544	218,544	218,544	218,544	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			79,525	79,292	297,836	297,836	369,193	369,193	369,193	369,183	369,183	369,183	350,711	327,789	109,245	86,330	33,019	31,461	10,702	10,702	10,702	10,057	-	-	-	-	-	-
-	-	-			90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	90,118	78,912	78,912	78,912	78,912	-	-	-	-	-	-	-	-	-	-	-
-	-	-			-8,635	-8,635	-2,791	-1,029	-1,029	-1,029	37,018	37,018	43,544	34,798	2,770	-1,029	-6,647	-6,647	-6,647	-6,610	-6,473	-6,473	-6,473	-6,473	-	-	-	-	-	-
-	-	-			-41,352	-24,226	148	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	6,236	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			40,131	57,257	87,475	96,277	96,277	96,277	134,324	134,324	140,850	132,104	100,076	84,119	72,265	72,265	72,265	-6,610	-6,473	-6,473	-6,473	-6,473	-	-	-	-	-	-
-	-	-			-	566,176	566,176	566,176	566,176	566,176	566,176	566,176	566,100	566,100	563,582	556,623	556,303	556,303	553,377	474,334	474,334	206,315	-	-	-	-	-	-	-	-
-	-	-			-	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	106,387	103,334	-	-	-	-	-	-
-	-	-			-	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,256	2,256	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	-	-	-	-	-
-	-	-			-	2,356,545	2,303,157	2,303,157	2,303,157	2,303,157	2,223,286	2,223,286	2,223,286	2,223,286	2,223,286	2,223,070	1,640,538	496,047	496,047	384,648	1,419	1,419	1,419	1,419	1,419	-	-	-	-	-
-	-	-			-	304,897	304,897	304,325	299,799	271,274	244,731	190,426	142,537	55,670	30,034	18,117	16,037	4,335	4,335	4,335	4,335	4,335	4,335	4,335	1,411	805	805	805	805	805
-	-	-			-	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	152,197	132,706	121,775	41,339	-	-	-	-	-	-	-
-	-	-			-	3,488,863	3,435,475	3,434,903	3,430,377	3,401,852	3,295,438	3,241,133	3,193,168	3,106,301	3,078,147	3,058,650	2,473,718	1,317,475	1,314,549	1,124,107	721,387	442,437	155,686	111,294	5,036	805	805	805	805	805
-	-	-			-	64,552	64,552	64,552	64,552	64,552	64,552	64,552	64,546	64,546	64,637	64,677	64,734	64,734	64,572	55,772	55,772	21,954	-	-	-	-	-	-	-	-
-	-	-			-	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,977	1,914	-	-	-	-	-	-
-	-	-			-	411,613	465,001	465,001	465,001	465,001	465,001	465,001	465,001	418,628	418,628	418,488	323,144	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-			-	62,454	62,454	62,226	60,867	54,736	47,037	36,971	27,950	13,536	9,586	8,002	7,371	2,062	2,062	2,062	2,062	2,062	2,062	2,062	679	392	392	392	392	392
-	-	-			-	540,596	593,984	593,756	592,397	586,266	578,567	568,501	559,474	498,687	494,828	493,144	397,226	68,773	68,611	59,811	59,811	25,993	4,039	3,976	679	392	392	392	392	392
-	-	-			-	-	618,234	497,523	497,523	497,523	497,523	497,523	497,523	497,518	497,518	496,295	485,905	485,828	485,828	485,790	412,946	412,946	48,362	-	-	-	-	-	-	-
-	-	-			-	-	577,532	418,242	418,242	418,242	418,242	418,242	418,242	418,234	418,234	418,234	410,619	409,904	409,904	346,108	346,108	268,077	212,470	-	-	-	-	-	-	-
-	-	-			-	-	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	67,894	66,556	-	-	-	-	-
-	-	-			-	-	10,395	10,395	10,395	10,395	10,395	10,395	10,395	10,395	10,395	10,395	9,340	9,340	9,340	9,340	9,081	8,926	8,926	8,926	8,926	8,926	3,584	3,584	3,584	3,584
-	-	-			-	-	1,798,912	1,804,151	1,804,151	1,804,151	1,804,151	1,769,421	1,769,421	1,769,421	1,768,934	1,768,934	1,708,458	1,526,936	626,483	532,243	160,166	-	-	-	-	-	-	-	-	-
-	-	-			-	-	596,919	596,919	596,459	593,836	589,079	556,009	484,942	410,443	247,531	127,009	40,499	25,235	16,215	6,815	-	-	-	-	-	-	-	-	-	-
-	-	-			-	-	53,016	53,016	53,016	53,016	53,016	53,016	53,016	53,016	53,016	53,016	53,016	53,016	53,016	-	-	-	-	-	-	-	-	-	-	-
-	-	-			-	-	3,722,902	3,448,140	3,447,680	3,445,057	3,440,300	3,372,500	3,301,433	3,226,921	3,063,522	2,941,777	2,775,731	2,578,153	1,668,680	1,448,190	996,195	757,843	337,652	76,820	75,482	8,926	3,584	3,584	3,584	3,584
0	0	0			3,119,882	7,145,240	10,868,050	10,543,556	10,536,386	10,496,665	10,377,794	10,059,188	9,774,012	9,416,598	8,820,275	8,517,395	6,655,210	4,947,069	3,980,297	3,243,866	2,188,129	1,637,009	904,949	536,483	81,676	10,123	4,781	4,781	4,781	4,781

2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Net Verified Energy Savings
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
3,584	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
3,584	-	-	-	-	-	-	-	-	-	
3,584	0	0	0	0	0	0	0	0	0	

Net Verified Annual Peak Demand Savings (kW)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	6	6	6	6	6	6	6	6	6	5	5	5	5	5	5	2	2	2	2
10	10	10	10	10	10	10	10	10	10	8	8	8	8	8	8	3	3	3	3
35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	31	-
15	15	15	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
249	249	247	247	247	247	239	239	214	189	121	115	104	104	104	95	85	85	85	85
26	22	16	16	16	16	16	16	16	16	16	4	-	-	-	-	-	-	-	-
66	66	34	34	34	34	34	34	34	34	34	34	31	31	31	-	-	-	-	-
18	18	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	44	44	44	44	44	44	11	1	1	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	5	5	5	5	5	5	5	5	5	5	-	-	-	-	-	-	-	-	-
475	471	431	413	397	397	389	356	321	296	224	201	183	183	183	143	125	125	121	90
5	5	5	5	5	5	5	5	5	5	-	-	-	-	-	-	-	-	-	-
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	1	1	1	16	16	16	16	16	16	16	16	16	11	-	-	-	-	-	-
9	9	9	9	9	9	9	9	9	9	9	2	2	2	2	2	2	2	2	2
-	-	32	32	32	32	32	32	32	32	32	32	-	-	-	-	-	-	-	-
16	16	48	48	63	63	63	63	63	63	58	51	19	14	3	3	3	3	3	3
12	12	12	12	12	12	12	12	12	12	12	8	8	8	8	-	-	-	-	-
-3	-3	-1	-	-	-	8	8	11	8	1	-	-2	-2	-2	-2	-2	-2	-2	-2
-10	-6	-	2	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-
-1	3	11	14	14	14	22	22	25	22	15	10	6	6	6	-2	-2	-2	-2	-2
-	37	37	37	37	37	37	37	37	37	37	35	35	35	35	30	30	13	-	-
-	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	28
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	396	385	385	385	385	372	372	372	372	372	372	266	90	90	83	1	1	1	1
-	58	58	58	57	54	51	42	33	15	9	6	6	2	2	2	2	2	2	2
-	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	29	25	9	-
-	560	549	549	548	545	529	520	511	493	487	482	376	196	196	184	94	73	44	31
-	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	1	-	-
-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
-	44	55	55	55	55	55	55	55	55	55	55	34	-	-	-	-	-	-	-
-	12	12	12	12	11	10	9	7	4	3	3	3	1	1	1	1	1	1	1
-	61	72	72	72	71	70	69	67	64	63	63	42	6	6	6	6	3	2	2
-	-	43	35	35	35	35	35	35	35	35	35	33	33	33	33	28	28	3	-
-	-	40	29	29	29	29	29	29	29	29	29	27	27	27	23	23	18	14	-
-	-	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
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-	-	420	421	421	421	421	414	414	414	414	414	399	355	92	58	16	-	-	-
-	-	146	146	146	145	145	140	129	113	71	38	12	7	4	2	-	-	-	-
-	-	10	10	10	10	10	10	10	10	10	10	10	10	10	-	-	-	-	-
-	-	679	661	661	660	660	648	637	621	579	546	500	451	185	135	86	65	36	19
490	1,111	1,790	1,757	1,755	1,750	1,733	1,678	1,624	1,559	1,426	1,353	1,126	856	579	469	312	267	204	143

2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Net Verified Peak Demand Savings	Net Verified Savings
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18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

2017 Final Verified Annual LDC CDM Program Results Report
Methodology

General

All results are at the end-user level, i.e. not including losses as a result transmission and distribution lines.

2015 results are based on projects completed between January 1, 2015 and December 31, 2015; 2016 results are based on projects completed between January 1, 2016 and December 31, 2016; and 2017 results are based on projects completed between January 1, 2017 and December 31, 2017.

The 2015 verified results considers projects reported to the IESO between January 1, 2015 and March 31, 2016; the 2016 verified results considers projects reported to the IESO between April 1, 2016 and April 15, 2017; the 2017 verified results considers projects reported to the IESO between April 16, 2017 and April 15, 2018.

Legacy Framework results are based on projects begun prior to an LDC's transition to the Conservation First Framework program and completed by December 31, 2015. Conservation First Framework results are based on projects begun on or after an LDC's transition to the Conservation First Framework program and projects transitioned to the Conservation First Framework through a valid Extension Agreement for eligible Programs.

Savings Calculations

#	Project Type	Attributing Savings to LDCs
1	Prescriptive Measures and Projects Programs	**Gross Reported Savings** = Activity * Per Unit Assumption Savings **Gross Verified Savings** = Gross Reported Savings * Realization Rate **Net Verified Savings** = Gross Verified Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
2	Engineered and Custom Projects / Programs	**Gross Reported Savings** = Reported Savings **Gross Verified Savings** = Gross Reported Savings * Realization Rate **Net Verified Savings** = Gross Verified Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
3	Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the annual effect of energy savings.

Cost Determination

Costs are determined and allocated to the period based on the date the cost has been reported to the IESO regardless of when the cost was incurred.

E.g. if an LDC reports by the December 2017 IESO Reporting Period: 1) program savings; and 2) Participant Incentives; associated with a 2017 completed project, as well as 3) Administrative Expenses; then: a) the savings; b) expenditures; and c) corresponding cost effectiveness; are attributed to the 2017 program year.

However if the same is reported in or after the January 2018 IESO Reporting Period: only the i) the savings and ii) costs for the purposes of Cost Effectiveness Test calculations will be attributed to the 2017 program year; The expenditures for the purposes of spending reporting (in the Monthly Participation & Cost Report and this Verified Annual LDC CDM Program Results Report) will be allocated to the 2018 program year and will not appear.

2015-2020 Conservation First Framework

#	Program	Attributing Savings to LDCs	Project List Date	Savings 'start' Date	Calculating Resource Savings
1	Save on Energy Coupon Program	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on Consumer Program Allocation Reference Table.	April 15, 2018	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
2	Save on Energy Instant Discount Program	Results are allocated based on Consumer Program Allocation Reference Table.	April 15, 2018	Savings are considered to begin in the year in which the event occurred.	
3	Save on Energy Heating & Cooling Program	Results directly attributed to LDC based on customer applications and postal code.	April 15, 2018	Savings are considered to begin in the year that the installation occurred.	
4	Save on Energy New Construction Program	Results are directly attributed to LDC based on LDC identified in LDC Report	April 15, 2018	Savings are considered to begin in the year of the project completion date.	
5	Save on Energy Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year in which the measures were installed.	
6	Save on Energy Audit Funding Program	Projects are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

7	Save on Energy Retrofit Program	Projects are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date as reported in the LDC Report	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
8	Save on Energy Small Business Lighting Program	Results are directly attributed to LDC based on the LDC specified on the work order.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
9	Save on Energy High Performance New Construction Program	Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported in the CDM LDC Report Template. Preliminary unverified net savings are calculated by multiplying reported savings by 2016 Net-to-gross ratios and realization rates.
10	Save on Energy Existing Building Commissioning Program	Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date.	
11	Save on Energy Business Refrigeration Incentive Program	Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date.	
12	Save on Energy Process and Systems Upgrades Program	Results are directly attributed to LDC based on LDC identified in application.	April 15, 2018	Savings are considered to begin in the year in which the project was in-service.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
13	Save on Energy Energy Manager Program	Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year in which the project was completed by the energy manager.	
14	Save on Energy Monitoring and Targeting Program	Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year in which the incentive project was completed.	

2011-2014+2015 Extension Legacy Framework

#	Initiative	Attributing Savings to LDCs	Project List Date	Savings 'start' Date	Calculating Resource Savings
1	saveONenergy Appliance Retirement Initiative	2015 Results only. Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	April 15, 2018	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
2	saveONenergy Conservation Instant Coupon Booklet	2015 Results only. LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	April 15, 2018	Savings are considered to begin in the year in which the coupon was redeemed.	
3	saveONenergy Bi-Annual Retailer Event	2015 Results only. Results are allocated based on average of 2008 & 2009 residential throughput.	April 15, 2018	Savings are considered to begin in the year in which the event occurs.	
4	saveONenergy HVAC Incentives	2015 Results only. Results directly attributed to LDC based on customer applications and postal code.	April 15, 2018	Savings are considered to begin in the year that the installation occurred.	
5	saveONenergy Residential New Construction	2015 Results only. Results are directly attributed to LDC based on LDC identified in application in the iCon system.	April 15, 2018	Savings are considered to begin in the year of the project completion date.	
6	saveONenergy Energy Audit	2015 Results only. Projects are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

7	saveONenergy Efficiency: Equipment Replacement	2015 Results only. Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track). Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2015)
8	saveONenergy Direct Installed Lighting	2015 Results only. Results are directly attributed to LDC based on the LDC specified on the work order.	April 15, 2018	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
9	saveONenergy New Construction and Major Renovation Incentive	2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018		Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
10	saveONenergy Existing Building Commissioning Incentive	2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018		
11	saveONenergy Process & System Upgrades	2015 Results only. Results are directly attributed to LDC based on LDC identified in application.	April 15, 2018	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
12	saveONenergy Energy Manager	2015 Results only. Results are directly attributed to LDC based on LDC identified in application.	April 15, 2018	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	
13	saveONenergy Monitoring & Targeting	2015 Results only. Results are directly attributed to LDC based on LDC identified in application.	April 15, 2018	Savings are considered to begin in the year in which the incentive project was completed.	
14	saveONenergy Home Assistance Program	2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
15	Aboriginal Conservation Program	2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.	April 15, 2018		
16	Program Enabled Savings	2015 Results only.	April 15, 2018		

2017 Final Verified Annual LDC CDM Program Results Report
Consumer Program Allocation Reference Table

#	Local Distribution Company	Allocation (%)
1	Alectra Utilities Corporation	19.77
2	Algoma Power Inc.	0.18
3	Atikokan Hydro Inc.	0.02
4	Attawapiskat Power Corporation	0.01
5	Bluewater Power Distribution Corporation	0.62
6	Brantford Power Inc.	0.67
7	Burlington Hydro Inc.	1.34
8	Canadian Niagara Power Inc.	0.35
9	Centre Wellington Hydro Ltd.	0.11
10	Chapleau Public Utilities Corporation	0.03
11	COLLUS PowerStream Corp.	0.25
12	Cooperative Hydro Embrun Inc.	0.06
13	E.L.K. Energy Inc.	0.25
14	Energy+ Inc.	1.12
15	Entegrus Powerlines Inc.	0.70
16	EnWin Utilities Ltd.	1.49
17	Erie Thames Powerlines Corporation	0.32
18	Espanola Regional Hydro Distribution Corporation	0.06
19	Essex Powerlines Corporation	0.61
20	Festival Hydro Inc.	0.32
21	Fort Albany Power Corporation	0.01
22	Fort Frances Power Corporation	0.09
23	Greater Sudbury Hydro Inc.	0.80
24	Grimsby Power Incorporated	0.18
25	Guelph Hydro Electric Systems Inc.	0.85
26	Halton Hills Hydro Inc.	0.59
27	Hearst Power Distribution Company Limited	0.05
28	Hydro 2000 Inc.	0.04
29	Hydro Hawkesbury Inc.	0.15
30	Hydro One Networks Inc.	27.29
31	Hydro Ottawa Limited	6.61
32	InnPower Corporation	0.33

33	Kashechewan Power Corporation	0.02
34	Kenora Hydro Electric Corporation Ltd.	0.09
35	Kingston Hydro Corporation	0.29
36	Kitchener-Wilmot Hydro Inc.	1.51
37	Lakefront Utilities Inc.	0.11
38	Lakeland Power Distribution Ltd.	0.23
39	London Hydro Inc.	2.61
40	Midland Power Utility Corporation	0.10
41	Milton Hydro Distribution Inc.	0.66
42	Newmarket-Tay Power Distribution Ltd.	0.60
43	Niagara Peninsula Energy Inc.	0.82
44	Niagara-on-the-Lake Hydro Inc.	0.13
45	North Bay Hydro Distribution Limited	0.42
46	Northern Ontario Wires Inc.	0.09
47	Oakville Hydro Electricity Distribution Inc.	1.51
48	Orangeville Hydro Limited	0.20
49	Orillia Power Distribution Corporation	0.22
50	Oshawa PUC Networks Inc.	1.48
51	Ottawa River Power Corporation	0.12
52	Peterborough Distribution Incorporated	0.46
53	PUC Distribution Inc.	0.65
54	Renfrew Hydro Inc.	0.05
55	Rideau St. Lawrence Distribution Inc.	0.07
56	Sioux Lookout Hydro Inc.	0.08
57	St. Thomas Energy Inc.	0.28
58	Thunder Bay Hydro Electricity Distribution Inc.	0.82
59	Tillsonburg Hydro Inc.	0.12
60	Toronto Hydro-Electric System Limited	15.57
61	Veridian Connections Inc.	2.39
62	Wasaga Distribution Inc.	0.18
63	Waterloo North Hydro Inc.	0.96
64	Welland Hydro-Electric System Corp.	0.31
65	Wellington North Power Inc.	0.06
66	West Coast Huron Energy Inc.	0.06
67	Westario Power Inc.	0.37
68	Whitby Hydro Electric Corporation	1.12
Total		**100.00**

2017 Final Verified Annual LDC CDM Program Results Report
Glossary

#	Term	Definition
	Reporting Terms	
1	Forecast	An LDCs' forecast of program activity, savings, net-to-gross adjustments, expenditures and cost effectiveness as indicated in each LDC's submitted CDM Plan Cost Effectiveness Tools. Forecasts at the province wide level are the sum of all LDCs' forecasts.
2	Reported	Program activity savings and expenditures as determined by the LDC. For savings: 1) for prescriptive projects/programs: calculating quantity x prescriptive savings assumptions; and 2) for engineered or custom program projects/programs: calculated using prescribed methodologies.
3	Verified	The IESO's annually EM&V assessed program activity, savings, net-to-gross, expenditures and cost effectiveness. Preliminary Verified results are provided by June 1st of each year and Final Verfied results are provided by July 1st of each year.
4	Adjustment	Verified results that were achieved in previous years but were not provided in a previous years' Annual Verified Results Report.
5	Progress or Comparison	An assessment of Actual results versus Verified results.
	Framework Terms	
6	2011-2014+2015 Extension Legacy Framework	Programs in market from 2011-2015 resulting from the April 23, 2010 GEA CDM Ministerial Directive and funded separately from 2015-2020 Conservation First Framework Programs but whose savings in 2015 are attributed towards the 2015-2020 Conservation First Framework target.
7	2015-2020 Conservation First Framework	Programs in market from 2015-2020 resulting from the March 31, 2014 CFF Ministerial Directive and funded separately from 2011-2014+2015 Extension Legacy Framework Programs.
8	LDC Innovation Fund	A source of funding under the 2015-2020 Conservation First Framework separate from LDC CDM Plan Budgets that the IESO maintains to support LDC led program design and market testing of new initiatives. Savings from LDC Innovation Fund pilot programs contribute to the LDCs savings targets based on the LDC service territory the pilot program is delivered in.
9	Conservation Fund	A source of funding external to the 2015-2020 Conservation First Framework that provides financial support for innovative electricity conservation technologies, practices, research, and pilot programs. Savings from Conservation Fund pilot programs contribute to the LDCs savings targets based on the LDC service territory the pilot program is delivered in.
	Programs Terms	
10	Program	A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (e.g. Coupon; or Retrofit;) from the 2015-2020 Conservation First Framework.
11	Province-Wide Program	Programs available to all LDCs to deliver and that are consistent across the province.
12	Regional Program	Programs designed by LDCs to serve their region and approved by the IESO.
13	Local Program	Programs designed by LDCs to serve their communities and approved by the IESO.
14	Pilot Program	A program pilot that may achieve energy or demand savings and is funded separately from an LDC's CDM Plan Budget.
15	Initiative	A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (e.g. Fridge & Freezer Pickup) from the 2011-2014+2015 Extension Legacy Framework.
	Activity Terms	
16	Participation	A measure of the level of program participation, such as number of projects, homes, equipment, etc..
17	Unit of Measure	For a specific initiative the relevant type of participation acquired in the market place (e.g. appliances picked up; coupon products installed; HVAC equipment installed; audits performed; or projects completed;).

Savings Terms		
18	Energy Savings	Energy savings attributable to conservation and demand management activities.
19	Peak Demand Savings	Peak Demand savings attributable to conservation and demand management activities, as determined by the IESO's EM&V Protocols.
20	Incremental Savings	The energy or peak demand savings newly attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'. Savings attributed to activity performed or completed in 2016 are presented as 2016 savings.
21	First Year Savings	The energy or peak demand savings that occur in the year it was achieved (includes resource savings from only new program activity).
22	Annual Savings	The energy or peak demand savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).
23	Gross Savings	The energy or peak demand savings that have been reported based on a conservation and demand management program's participation tracking.
24	Net Savings	The energy or peak demand savings attributable to conservation and demand management activities, net of free-riders, spill over, etc.
25	Realization Rate	A comparison of originally reported savings and observed or measured savings that adjusts reported savings to arrive at verified savings. Accounts for discrepancies such as audited measure counts; adjustment for connected demand savings to peak demand savings; etc.
26	Net-to-Gross Adjustment	The ratio of net savings to gross savings, which takes into account factors such as free-ridership, spillover, etc.
27	Free-ridership	The percentage of participants who would have implemented the program measure or practice in the absence of the program.
28	Spillover	Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.
29	Allocated Target	Each LDC's assigned portion of the Province's 7 TWh Net 2020 Annual Energy Savings Target of the 2015-2020 Conservation First Framework.

Costs Terms		
30	Participant Incentive	Costs incurred in the delivery of a program related to incenting participants to perform peak demand or energy savings.
31	LDC Administrative Expense	Costs reported by the LDC in the delivery of a program related to labour, marketing, third-party expenses, etc.
32	IESO Value Added Services Cost	Costs incurred by the IESO's Value Added Service Provider related to associated programs (Coupons and Heating & Cooling), and charged to the LDC in which the programs's activity took place.
33	Total Administrative Expense	The sum of LDC Adminsitrative Expense and IESO Value Added Services Cost.
34	Delivery Cost	The sum of Total Administrative Expenses and Participant Incentives. **All costs are presented based on the period reported by LDCs to the IESO, not necessarily associated with reported activity.** **E.g. if an LDC reports by the December 2016 IESO Reporting Period: 1) program savings; 2) Participant Incentives; and 3) Administrative Expenses associated with a 2016 completed project, then: a) the savings; b) expenditures; and c) corresponding cost effectiveness; are attributed to the 2016 program year.** **However if the same is reported in or after the January 2017 IESO Reporting Period: i) the savings will be attributed to the 2016 program year; ii) the expenditures will be attributed to the 2017 program year and will not appear in the 2016 Verified Results Report; but iii) the project's Participant Incentives will be used to calculate 2016 Cost Effectiveness;**
35	Allocated Budget	Each LDC's assigned portion of the Province's $ 1.835 billion CDM Plan Budget of the 2015-2020 Conservation First Framework.

Cost Effectiveness Terms		
36	Total Resource Cost Cost Effectiveness Test	A cost effectiveness test that measures the net cost of CDM based on the total costs of the program including both participants' and utility's costs.
37	Program Administrator Cost Cost Effectiveness Test	A cost effectiveness test that measures the net cost of CDM based on costs incurred by the program administrator, including incentive costs and excluding net costs incurred by the participant.
38	Levelized Unit Energy Cost Cost Effectiveness Test	A cost effectiveness test that normalizes the costs incurred by the program administrator per unit of energy or demand reduced.

APPENDIX

4E

2019

NIAGARA-ON-THE-LAKE HYDRO

COST OF SERVICE RATE APPLICATION

EB-2018-0056

Policies and Procedures	
	Policy:
	Page: 1 of
	Location: X:\NOTLinc\Policies
	Issued:
IFRS Policy	Issue No.:

1. **Purpose:** To document the company policies for compliance with International Accounting Standard IAS16 as part of future conversion to IFRS accounting requirements.

2. **Scope:**

Currently, the mandatory date of implementation to IFRS, according to the Accounting Standards Board of Canada, is January 1, 2014[1]. NOTL Hydro has chosen not to change to IFRS before January 1, 2014. Thus, if the mandatory date remains at January 1, 2014, NOTL Hydro's financial statements for the fiscal year 2014 will be in IFRS, with historical results for 2013 stated in both CGAAP and IFRS. NOTL Hydro's 2012 and 2013 financial statements will remain in CGAAP accounting.

However, the Ontario Energy Board, by letter dated July 17, 2012, requires that policies for componentization and depreciation[2] and for capitalization (burdens)[3] for the fiscal year 2013 will be in accordance with IFRS, even though the LDC may remain under CGAAP in 2013, as will be the case for NOTL Hydro. LDCs are permitted to make this accounting change in 2012. However, NOTL Hydro has chosen not to make the change until 2013.

3. **Policy:** The "Conclusion Documents"[4] in the following pages provide NOTL Hydro's policies in relation to IAS16 standards for:

- Componentization and Depreciation
- Capitalization – Burdens
- Property, Plant and Equipment – Fair Value vs. Carrying Value as Deemed Cost
- Property, Plant and Equipment – Measurement after Recognition
- Property, Plant and Equipment – De-recognition
- Property, Plant and Equipment – Borrowing Costs

1 This date is sometimes referred to as the "IFRS Changeover Date". The "IFRS Transition Date" is the beginning of the previous year, in this case January 1, 2013 from which date IFRS comparative figures are required for the 2014 financial statements.

2 See 1st item under "Policy"

3 See 2nd item under "Policy"

4 These documents were prepared with the guidance of KPMG on technical IFRS accounting matters.

Prepared by: Philip Wormwell	**Approved by:**
Date: December 6, 2012	**Date:**

Conclusion Document

Standard: IAS 16 – Property, Plant and Equipment

Topic: Componentization and Depreciation

Objective:

To document the accounting policy on componentization and depreciation of property, plant and equipment for Niagara-On-The-Lake Hydro Inc. ("the company")

Background:

Each part of an item of property, plant and equipment (PP&E) with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

An entity should allocate the amount initially recognized in respect of an item of PPE to its significant parts to be depreciated separately.

A significant part of an item of PP&E may have a useful life and a depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge.

Depreciation is to be computed on a systematic basis over the estimated useful life of the item of PP&E. The depreciable amount of an asset is determined after deducting its residual value. In practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.

The residual value and the useful life of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with **IAS 8** *Accounting Policies, Changes in Accounting Estimates and Errors.*

Depreciation of an asset begins when it is available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with **IFRS 5** and the date that the asset is derecognized.

Considerations:

Significant components of PP&E will be separately accounted under IFRS. Each significant component and the estimated useful lives, for purposes of computing depreciation expense under IFRS, will be set out in Table 1 as attached.

<u>Overhead system</u>

Four components identified – Poles, OH Conductors/Switches, Transformers and OH Secondary Cable.

The company currently has only wood poles and has determined that there are no components of the pole that are material in dollar value or have a significantly different useful life. Therefore, the company has concluded that there is only one component comprised of the fully dressed wood pole. This component includes the standoff brackets and guy wires which are considered immaterial.

In terms of useful life, the Kinetrics report gave a range of 35-75 years, with the typical being 45 year. The company considered the following factors with respect to the useful life of the poles. Mechanical stress and environmental factors are high and medium, respectively. The poles are not overloaded with weight, as the system has the typical length between poles. Historical experience shows the poles are being replaced between 45-50 years. The company has determined a useful life of 45 years is appropriate.

The company currently includes conductor and switches in the same GL account. It has been determined that switches do not make up a significant share of the account. Going forward, it is not expected there will be material amounts of switches added that justifies a separate component. The company also determined that they are not replacing conductor more often than switches or re-closers, which has led to the determination of a single component for these assets. The company has a regular maintenance program on the switches and as a result, failure is not typical.

In terms of useful life, the Kinetrics report gave a range of 50-75 years (typical 60 years) for OH conductors and 30-55 years (typical 45 years) for line switches. The company has determined its conductors fit the typical life span, given historical experience and pole spans being typical (which reduces strain on the conductor). Since switches were determined to be immaterial in this component, a useful life of 60 years is appropriate. Typically, switches are only replaced prior to replacing the conductor, when the switch fails. Failure is not typically seen with the exception of lightning strikes.

Overhead and underground transformers are currently grouped together. Useful lives of the two types of transformers are expected to be similar since the system is not overloaded. There are no plans to remove underground transformers from service prior to 40 years unless they are overloaded. Kinectrics useful life range is 30 to 60 years with typical of 40 years. Electrical loading and mechanical stress are low and environmental factors are considered to be normal. Kinectrics typical useful life is based upon moderate electrical loading. The company's low electrical loading would extend useful life beyond the typical range. Life should be 45 years based upon the utilization factors.

Secondary cable (Services) has been classified into two separate components (underground and overhead) due to the significantly different useful lives based on the type of wire used for each. Overhead wire is PILC (covered wire).

OH secondary cable experience tree wear from rubbing. The cable is insulated, which tends to deteriorate over time. The company's experience has shown this cable does not last longer than about 60 years. A useful life of 60 years is considered appropriate.

TS Stations

Two components identified – Transformers and Other

The company has assessed the different assets that comprise the two TS currently owned. The unique parts are power transformers, stations switch, breakers and switches, relays, bus-bars and steel structures. The company has determined the power transformers are by far the most significant component in the TS stations and should be accounted for as a separate component.

The other components are not considered material and useful lives are not significantly different to warrant any further componentization for the other assets comprising the TS station.

Kinetrics life range for the transformers is 30-60 years with 45 being typical. The company does not have much experience with the life span of this component as the oldest asset is from 1985. Electrical loading and environmental factors do not differ from Kinetrics typical, which is moderate. Typical useful life of 45 years is appropriate.

The other assets component (stations switch, breakers and switches, relays, bus-bars and steel structures) have a life range of between 30 and 60 years with typical being 50 years. The station switches and breakers etc. are regularly maintained and the operational practices of the switches are low to moderate which would suggest a higher useful life than typical. 55 years is considered an appropriate life.

DS Station

The King St. DS Station is expected to be decommissioned in 2013. Based on the expected decommission, the useful life of this asset on January 1, 2013 will be one year.

Underground System

Three Components identified – Underground Cable (Primary) & Devices, Underground Conduit and Secondary Cable (Underground)

The company has determined that underground primary cable and devices represent a single component. The assets in this class have similar useful lives. The Kinetrics report gives useful life ranges of 35-55 years (typical 40 years). The company's assets in this component include both direct buried and in duct, with the majority being in-duct (direct buried has a lower life and only in one or two subdivisions). Mechanical stress, electrical loading, and environmental conditions are considered moderate in the Kinectrics report, but the company has assessed electrical loading as lower. The company has also considered historical experience for these assets. There is currently direct buried cable with a life of 30 years in operation and it is expected that these will last at least 10 more years as no major issues have been encountered at 30 years of life. Based on these factors, the company has assessed these assets with a useful life of 45 years, higher than typical based upon the low electrical loading.

The company has determined that ducts, foundations, vaults and duct banks all form the Underground Conduit component. These assets have similar useful lives. The Kinetrics report gives useful life ranges from 30-85 years for these assets (typical 50-55 years). The company has assessed mechanical stress lower than Kinetrics report (assets are under grass not under roads) which leads to a longer expected life. The company has assessed 65 years as appropriate for these assets.

Secondary cable (Services) has been classified into two separate components (underground and overhead) due to the significantly different useful lives based on the type of wire used for each. Overhead wire is PILC (covered wire).

The Kinectrics report has the useful life of underground secondary cable as a range of 35-60 years (typical 40 years). The company has determined there are no factors that would suggest the useful life is any different from the underground primary cable. As such, a useful life of 45 years is appropriate.

SCADA software: Has been assessed as a single component, since radios are already included under communication equipment. The company is aware this software is updated on an irregular basis (that may exceed annual) but the original firmware may be considered to have a useful life of 8-10 years before it is completely replaced. Therefore a useful life of 10 years has been chosen for this component.

Minor assets

Office Equipment: Has been assessed as a single component as assets have similar useful lives. The current useful life is 10 years, and there are no indications this should change.

Vehicles < 3 tonnes: Single component. Policy is to replace after 5 years, therefore this is the useful life.

Vehicles > 3 tonnes: Single component. Policy is to replace after 10 years, therefore this is the useful life.

Trailers: Single component. Estimated useful life is 15 years based upon planned replacement cycle.

Administrative Buildings: Single component. Kinetrics report gives useful life of 50 – 75 years. The company's administrative building is fairly new. The building was constructed under a low budget (minimum standards) which indicates the maximum useful life is not appropriate. A useful life of 60 years has been determined.

Station Buildings: It has been determined not to separate these assets out from the TS (insignificant in relation to the equipment in the TS station)

Computer Equipment (Hardware): Single component. Policy is replacement every 3 years; therefore the useful life is 3 years.

Computer Equipment (Software): Single component. Policy is replacement every 3 years; therefore the useful life is 3 years. Technological obsolescence limits the life.

Communication Equipment: Single component that includes a computer station that works with the SCADA equipment, towers, radio and phone system. The company does not have any reason as to why this should vary from the rate it is currently being depreciated over, which is 10 years. This component is subject to technological obsolescence so anything higher than 10 years would not be appropriate.

Miscellaneous Equipment (tools and shop): Single component. Based on experience, assets in this class can last 5-10 years, but individually the assets are immaterial. As such, an average life of 8 years is considered appropriate.

Miscellaneous Equipment (stores and warehouse): Single component. The company has assessed at maximum life of 10 years based on Kinetrics report and experience with life of shelving equipment.

Meters: 4 Components were decided

1) Smart Meters: These are material and have a significantly different useful life (no history yet on how long they will last). The company discussed the need to split out into further components (data collectors). It was determined that useful life of data collectors and the meter are similar and therefore no need to break down into further components. The company does not expect useful life to exceed 10 years given problems already encountered with these meters. However, will use same rate as industry (15 years) and assess the appropriateness of this at end of each reporting period.
2) Stranded Meters: Life kept at OEB rate of 25 years.

3) Other Meters: These meters have been lasting 25 years. Technological obsolescence will limit the life of these assets to a certain extent so extending this beyond the 25 years is not appropriate.

4) CT's and PT's: These are material and have a significantly different useful life. Kinetrics report indicates a range of 35-50 years. The company has determined a 40 year life is reasonable for these assets.

Conclusion:

The new levels of componentization and the corresponding useful lives will be applied beginning January 1, 2013[5]. The net book value as deemed cost exemption (available to rate regulated entities) will be applied so that the opening values at January 1, 2013[6] do not need to be restated and therefore, componentization does not need to be applied retroactively.

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[5] This date assumes the current mandatory IFRS implementation date (or "changeover date") of January 1, 2014, which requires 2013 historical data in 2014 financial statements to be in both CGAAP and IFRS.
[6] See Footnote above

Table 1: Niagara-On-The-Lake Hydro – PP&E Components and Estimated Useful Lives

Component	Previous Component	Proposed Useful Life	Existing Useful Life
Poles	1830 -	45	25
OH Conductors and Switches	1835 -	60	25
Transformers (UG and OH)	1850 -	45	25
Transformers (Substation)	1815-1051 (York) and 1815-1052 (NOTL DS)	45	40
Station Switch, Breakers, Bus-bars	1815-1051 (York) and 1815-1052 (NOTL DS)	55	40
DS Station	1820 -	1 year [i.e. 2013]	25
UG Conductors and Devices	1845 -	45	25
UG Conduit	1840 -	65	25
UG Services	1855-1135 -	45	25
OH Services	1855-1130 -	60	25
SCADA	1980 -	10	15
Office Equipment	1915 -	10	10
Trucks (<3 tonnes)	1930 -7102 -	5	5
Trucks (>3 tonnes)	1930 -7103 -	10	8
Trailers	1930-7104 -	15	5
Administrative Buildings	1908-1030	60	50
PCB Shed	1908-1031	30	30
Computer Hardware	1920 -	3	5
Computer Software	1925 -	3	3
Communication equipment	1955 -	10	10
Miscellaneous Tools	1940 -	8	10
Stores and Warehouse equipment	1935 -	10	10
Stranded Meters	1860 -	25	25
Other Meters	1860 -	25	25
CT/PT	1860 -	40	25
Smart Meters	1860[7]-	15	N/A
Smart Metering – Data Collectors	1860[8]-	15	N/A

[7] *Previously 1555, prior to OEB approval of disposition of the variance account.*
[8] *See footnote 7*

Conclusion Document

Standard: IAS 16 – Property, Plant and Equipment

Topic: Capitalization - Burdens

Objective:

To document the accounting policy on the capitalization of burdens.

Background:

Core Principle

The cost of an item of property, plant and equipment (PP&E) is recognized as an asset if and only if:

a) It is probable that future economic benefits will flow to the company; and
b) The cost of the item can be measured reliably.

The cost of an item of PP&E includes any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Certain costs are explicitly prohibited from inclusion as costs of an item of PP&E:

a) Costs of opening a new facility;
b) Costs of introducing a new product or service (including advertising and promotion);
c) Costs of conducting business in a new location or with a new class of customer (including costs of staff training)
d) Administration and other general overhead costs; and,
e) Day-to-day servicing costs.

IAS 16 does not indicate what constitutes an item of PP&E. Judgment is required when applying the core principle.

Directly attributable

The term “directly attributable” is not defined in IAS 16. The specific facts and circumstances surrounding the cost and the ability to demonstrate that the cost is directly attributable to an item of PP&E is critical to establishing whether the cost should be capitalized. The cost must be attributed to a specific item of PP&E at the time it is incurred. The incurrence of that cost should aid directly in the construction effort, making the asset more capable of being used than if the cost had not been incurred.

General and administrative overhead

IFRS does not provide a definition of general and administrative overhead (G&A). The specific facts and circumstances surrounding the nature of the costs and the activity associated with it must be considered to determine if it is directly attributable to an item of PP&E.

G&A costs typically benefit the organization as a whole or areas of the organization more broadly rather than contributing directly to bringing a physical asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The more the nature of a particular cost strays from being directly attributable to an item of PP&E, then the more likely it is that the cost will be determined to be in the nature of G&A.

Day-to-day servicing costs

Day-to-day servicing costs are defined as costs of labour and consumables and may include the cost of small parts. The purpose of these expenditures is often described as for the "repairs and maintenance" of the item of PP&E.

Feasibility studies and pre-construction activities

Normally, feasibility studies are not capitalized under IFRS as these costs do not always result in asset construction, and therefore may not meet the criteria of providing a future economic benefit. Additionally, the associated costs must be directly attributable to an item of PP&E. Pre-construction activities (such as design work) prior to a decision to go ahead with a capital project do not qualify for capitalization.

Considerations:

Canadian GAAP allowed for capitalization of general and administrative overhead, training costs, etc. while IFRS does not.

The Ontario Energy Board (OEB) requires electricity distributors to be in full compliance with IFRS requirements as applicable to non-regulated enterprises and only where Board authorizes specific alternative treatment for regulatory purposes is alternative treatment acceptable.

Niagara-On-The-Lake Hydro ("the company") performed a review of the costs currently included in burdens to assess recognition criteria as an item of PP&E under IFRS.

Payroll allocation

Payroll allocation consists of the following benefits paid to employees: health benefits such as drugs, dental/vision, LTD, out of country medical, OMERS, WSIB, Employment insurance, CPP, EHT, and down time (which includes vacation, sick time, bereavement pay). IAS 16 specifically allows for benefits as defined in IAS 19 arising directly from the construction or acquisition of an item of PPE to be included as a directly attributable cost. The payroll allocation is allocated to capital based upon labour dollars charged to capital. Benefits are accumulated in the general ledger for all employees and allocated based upon where the employees charge their time (capital, maintenance, other operating, etc.). The company does not include training costs in payroll burden and downtime due to inclement weather is also not included in payroll burden.

No changes were identified for this burden under IFRS.

The following benefits were considered for inclusion in the burden rate as follows:

Truck allocation

Truck allocation consists of fuel, vehicle maintenance labour, repair parts, licenses and license renewals and amortization. Insurance is currently not included in the burden; however, the company will include insurance costs upon adoption to IFRS. Trucks and company vehicles are used on the job site and are directly related to the construction of an asset as they are required to construct the asset and are dedicated to the asset for a period of time. Truck expenses are allocated to capital based upon the time used on the job site.

With regards to repairs and maintenance costs, the company must decide whether the IFRS standard on this topic precludes capitalization of any repairs and maintenance costs or just specifically the repair and maintenance of the particular item (vehicle) repaired. For example the repairs and maintenance on a truck are not capitalizable to the cost of the truck (IAS 16.12), however an argument can be made that it is capitalizable to the specific capital job the repaired truck was assigned to such as a pole line construction. The company will interpret IAS 16.12 to apply only to repairs and maintenance of an item of PPE. Therefore repairs and maintenance cannot be capitalized to the cost of the item repaired. The company has determined that the repairs and maintenance account (account 91009102) can be included in the burden rate and be capitalized to the cost of a constructed asset when a vehicle is used on the job site for the construction of the asset.

Fuel, amortization (of the truck), truck insurance and license renewals can be capitalized because they are costs required to keep the trucks in running order and are not specifically excluded from capitalization in IAS 16 and they are directly attributable when used to construct an asset and bring it to its intended use. Amortization is currently included in the truck allocation under CGAAP, and the company will continue to include amortization under IFRS.

<u>Stores allocation</u>

The company noted that inventory is not currently recorded at cost. Inventory is recorded at cost plus (cost +10%, which represents the stores burden). This grossed up cost is charged to the specific job when the inventory item is used on the job.

Under IFRS, general and administrative expenses are not capitalized. General and administrative expenses tend to benefit the organization as a whole rather than a single job (or item of PPE) Typically, maintaining stores are more efficient than having parts delivered directly to the job site as they are needed. The company discussed whether stores costs should be capitalized or expensed. The company has structured its operations such that the time needed in stores is actually directly attributable. For example, there is no full time position in stores, but rather when stock is received, it is specifically tracked in the warehouse and segregated for the job for which it is intended. This leads to the conclusion that this time is directly attributable to specific jobs. Further, it would not be difficult for the staff person to track their time to specific jobs if required. The stores burden will continue to be charged to the capital job

Conclusion:

The company will capitalize all costs, including the above burdens, when the cost is directly attributable to bringing the item of PP&E to the location and condition necessary for it to be capable of operating in the manner intended by management.

Any general and administrative costs currently included in the various burden rates, such as training and other administrative expenses, will not be capitalized.

The following changes were made to the capitalization policy as a result of the transition to IFRS.

<u>Payroll allocation</u>

No changes were identified for this allocation.

<u>Truck allocation</u>

Insurance will be capitalized under IFRS.

<u>Stores allocation</u>

No changes were identified for this allocation.

Conclusion Document

Standard: IFRS 1 – Elective Exemption, IAS 16 – Property, Plant and Equipment

Topic: Property, Plant and Equipment – Fair Value vs. Carrying Value as Deemed Cost

Objective:

To determine the policy on initial measurement of property, plant and equipment (PP&E) on the date of transition to IFRS

Background:

Niagara-On-The-Lake Hydro Inc. ("NOTL") may elect to measure an item of PP&E at its fair value on the date of transition to IFRS. The fair value would then represent deemed cost at that date for purposes of subsequent measurement and amortization ("deemed cost election").

An additional IFRS 1 exemption is available to rate regulated entities. The exemption allows an entity to measure an item of PP&E at its previously recorded carrying value (i.e. net book value) on transition to IFRS. As NOTL's operations are rate regulated, they are eligible to apply this exemption.

If an Elective Exemption with respect to PP&E is not taken, NOTL would have to account for PP&E as if the requirements of IAS 16 had always been applied. This would require retrospective restatements of all PP&E balances in accordance with IFRS.

Considerations:

Retroactive restatements will be onerous and impractical as documentation for historical costs are not available.

The fair value exemption is not allowed by the OEB for rate setting purposes.

Fair values are more costly to obtain.

Electing the IFRS 1 exemption for rate regulated entities is more favourable to NOTL. Regulated Net Book Value ("regulated NBV") as at the date of transition to IFRS would be used for rate setting purposes. The OEB requires the use of regulated NBV as the basis for setting the opening rate base values upon transition to IFRS. Therefore, using the carrying value as deemed cost exemption would more closely align financial reporting with the basis in which regulated cash flows and income are determined by the regulator.

Conclusion:

NOTL has concluded that it will elect the IFRS 1 Exemption for rate regulated entities and use net book value as at date of transition to IFRS[9] as deemed cost.

[9] *The transition date is currently January 1, 2013 if the changeover date remains at January 1, 2014.*

Conclusion Document

Standard: IAS 16 – Property, Plant and Equipment

Topic: Property, Plant and Equipment – Measurement after Recognition

Objective:

To determine the policy on measurement of property, plant and equipment (PP&E) after initial recognition

Background:

For all subsequent periods following the initial recognition of an asset, IAS 16 permits a choice of using either the cost model or the revaluation model for valuing PP&E.

Cost Model

After recognition as an asset, an item of PP&E shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation Model

After recognition as an asset, an item of PP&E whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. IAS 16 defines fair value as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." It also mentions that, if there is no market-based evidence of fair value because of the specialized nature of a particular PP&E item and the item is rarely sold (except as part of a continuing business), an entity may need to estimate fair value using an income or a depreciated replacement cost approach.

Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. If an item of PP&E is revalued, the entire class of PP&E to which that asset belongs shall be revalued.

Ontario Energy Board

In its report of the Board on Transition to International Financial Reporting Standards, the OEB will require the use of historical acquisition cost as the basis for reporting PP&E for regulatory purposes.

Conclusion:

Niagara-On-The-Lake Hydro Inc. has concluded that it will choose the Cost Model to measure PP&E after initial recognition under IFRS.

Conclusion Document

Standard: IAS 16 – Property, Plant and Equipment

Topic: Property, Plant and Equipment – De-recognition of PP&E

Objective:

To document the accounting policy on de-recognition of property, plant and equipment.

Background:

The carrying amount of an item of property, plant and equipment (PP&E) shall be derecognized:

(a) On disposal; or

(b) When no future economic benefits are expected from its use or disposal (e.g. the item is removed from use).

When a part of an item of PP&E is replaced and that replacement is capitalized under the recognition principle in IAS 16, then the replaced part is derecognized regardless of whether the replaced part has been identified as a separate component and depreciated separately.

The gain or loss arising from the derecognition of an item of PP&E shall be included in profit or loss when the item is derecognized. Gains shall not be classified as revenue, and instead should be presented as other income or expense.

The disposal of an item of PP&E may occur in a variety of ways (e.g. by sale, by entering into a finance lease, by donation, etc.) In determining the date of disposal of an item, an entity applies the criteria in IAS 18 for recognizing revenue from the sale of goods. Under IAS 18.14, revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

(a) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods

(b) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;

(d) It is probable that the economic benefits associated with the transition will flow to the entity; and

(e) The costs incurred or to be incurred in respect of the transactions can be measure reliably.

The gain or loss arising from derecognizing an item of PP&E shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Considerations:

Currently the pooled method of accounting for capital assets for Utility companies is applied and is an approved method by the Ontario Energy Board ("OEB").

The pooled method of accounting, pools like assets together based on the year of addition as the pooling method assumes that each asset will last, on average, their full useful life.

Under the pooled method there is an assumption that there are assets within the same asset pool which will last longer or shorter than the estimated useful life and therefore, in the end everything balances out on average. However, the assumption does not always hold true, especially if assets are removed from service before the end of their useful life, for example, when a road is widened.

Under the pooled method, if an asset is removed from service prior to the end of its useful life, there is no change to the accounting to remove the asset – it remains in the GL (i.e. it is not derecognized).

Currently, Niagara-On-The-Lake Hydro Inc. ("the company") records their capital assets using the pooled method of accounting and does not derecognize assets removed from service prior to the end of their useful life.

Since the company removes assets from service prior to the end of their useful life from time to time, these removed assets should be derecognized. The company must derecognize the cost of the asset which was removed/disposed. A write-off would be recorded in the amount of the remaining NBV of the asset removed/disposed. Any proceeds on the disposal of the asset would offset the write-off.

In order to properly account for assets that are removed from service in the accounting records, a process needs to be developed which alerts the accounting department when an asset has been removed from service in order to write-off the asset (long-term issue).

Conclusion:

For IFRS purposes a process will need to be developed and implemented which notifies the accounting department of changes which occur in the field which require accounting for the removal of the fixed assets and recording the loss in the income statement.

Conclusion Document

Standard: IAS 23 – Borrowing Costs

Topic: Property, Plant and Equipment – Borrowing Costs

Objective:

To determine the policy on accounting for borrowing costs for property, plant and equipment.

Background:

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. A substantial period of time is not defined in the IFRS standard. Guidance provided by KPMG suggests that a substantial period of time would be considered to be a period well in excess of 6 months.

For all subsequent periods following the initial recognition of an asset, IAS 16 permits a choice of using either the cost model or the revaluation model for valuing PP&E. Niagara-On-The-Lake Hydro Inc. ("NOTL") has chosen to use the cost model in accordance with the OEB requirements.

IAS 23 requires that borrowing costs be expensed as they are incurred unless they relate to "qualifying assets", in which case they must be capitalized if certain conditions are met. When interest is capitalized, IAS 23 requires the following steps:

- Begin capitalization when borrowing costs and expenditures are incurred and activities to develop a qualifying asset for its intended use are in progress;
- Suspend capitalization when development is interrupted for extended periods; and
- Cease capitalization when a qualifying asset is ready for its intended use or sale and all activities related thereto are complete.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset. All other borrowing costs are recognized as interest expense.

The borrowing costs capitalized must reflect the weighted average of the actual borrowing costs incurred. The OEB requires the actual interest rate on the debt to be used if the related debt was acquired in an arm's length basis. If the debt is acquired in a non-arm's length basis then the interest rate used cannot exceed the Board's published rates for CWIP for rate setting purposes.

Definitions:

Qualifying asset – NOTL defines a qualifying asset as one that takes in excess of 6 months to construct or get ready for its intended use.

Considerations:

NOTL currently does not have any qualifying assets as the average time frame of constructing an item of PP&E typically does not exceed 6 months.

Conclusion:

Eligible borrowing costs will be capitalized as part of PP&E for all qualifying assets. Interest rate to be used for capitalization will be the actual cost of borrowing when debt is borrowed specifically to obtain the asset or the weighted average cost of borrowing when general borrowings are used to obtain the asset.

APPENDIX

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NIAGARA-ON-THE-LAKE HYDRO

2019 COST OF SERVICE RATE APPLICATION

EB-2018-0056

Government payments are payments to any government body required in the ordinary course of business. Examples of such payments include, but are not limited to:

- IESO
- Ministry of Energy
- Ontario Energy Board
- Canada Revenue Agency or Ministry of Finance

Internal payments include payments between NOTL Energy, NOTL Hydro and ESNI and payments to the Town of Niagara-on-the-Lake.

6.0 Conflicts of Interest

6.1 No requisition, vouchers, petty cash funds or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the Company, any member of Board, or the public.

6.2 No purchase of goods or services shall be made from any employee or Board member of NOTL Hydro, or from any company in which an employee or Board member of NOTL Hydro has an interest without prior written approval by the Board. A contract for goods and services placed with a relative of an employee of NOTL Hydro shall be declared and that employee shall not be placed in a position to supervise or approve the execution of that contract

6.3 No employee or elected official shall purchase surplus assets except by bidding on the same at public auction or by sealed bid.

7.0 Local Preference

7.1 In accordance with the Discriminatory Business Practices Act, Revised Statutes of Ontario, 1990, Chapter D.12 there shall be no local preference for purchases.

7.2 All else being equal, preference will be given to purchase goods and/or services firstly from Niagara-on-the-Lake based businesses, secondly from businesses located in the Niagara Region, and thirdly from Canadian owned businesses.

The employee must solicit a minimum of two (2) quotes without formal advertising or receipt of sealed bids. The requirements of the competitive process may only be waived under the authority of the President. In this case, the competitive process will be replaced by the negotiated method.

7.4 Request for Proposal (Written) - $20,000 or Greater

In general, the Request for Proposal process encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

The President or Vice President shall prepare a Request for Proposal document which provides prospective bidders with a general requirement or overview of the problem.

A minimum of three quotes will be obtained.

Purchases over $20,000 without competitive quotes require prior approval of the Board.

4.0 Payment Authority

$ Limit	Signature Type	Authority
$50,000	Facsimile	President and Board Chair
>$50,000 Government or Internal	Handwritten	Two of President, VP Finance or any Board member
>$50,000	Handwritten	President and any Board member or any two Board members

The same level of authority is required whether payment is by cheque, electronic funds transfer, bank transfer or any other form of funds transfer.

5.0 Government or Internal Payments

Board member approval is not required for payments deemed Government or Internal.

3.0 Purchasing Authority

$ Limit	Purchasing Procedure	Authority
$2,000	Direct Purchase	Manager
$20,000	Competitive Process	Vice President
$50,000	Obtain 3 quotes	President or Board member
>$50,000	Obtain 3 quotes	President and any Board member or any two Board members

7.1 Petty Cash- $100 or Less

A petty cash fund will be maintained in the Finance Department to meet the requirements of acquisitions of goods and services having a value of $100 or less.

Petty cash should only be used when it is not feasible to use a purchasing card.

All petty cash disbursements shall be evidenced by a receipt and Petty Cash Summary Slips. The slips must accompany the receipt in order to replenish the fund.

7.2 Purchasing Card or Direct Purchase- $2,000 or less

Purchases not exceeding $2,000 may be made using a purchasing card or direct purchase.

The Purchasing Card or Direct Purchase Process is a method of making smaller dollar purchases.

The acquisition of goods and/or services having a value of up to $2,000.00 per transaction, including taxes, shall be carried out by an employee with a company credit card with prior approval from the President of VP Finance.

7.3 Competitive Process- $2,000 to $19,999

Purchases with an estimated value greater than $2,000 but less than $20,000 shall be obtained using a competitive process.

Niagara On-The-Lake HYDRO	Policy:	NOTLH-FIN-1
	Page:	1 of 4
	Re-Issued:	May 8, 2018
NOTL Hydro Purchasing Policy	Issue No.:	1.0

1.0 Purpose

To set forth the policy of the corporation regarding the approval procedure for purchasing capital and operational expenditures.

2.0 Scope

2.1 This policy is applicable to all employees of Niagara-on-the-Lake Hydro (NOTL Hydro) as well as to purchases made on behalf of either Energy Services Niagara Inc. (ESNI) or Niagara-on-the-Lake Energy Inc. (NOTL Energy).

2.2 To ensure that employees who are responsible for requisitioning and purchasing goods and services are accountable for their actions and decisions;

2.3 To promote the most cost effective and efficient use of company funds and resources by acquiring the goods and services at the optimum quality, quantity, price, delivery and performance;

2.4 NOTL Hydro.'s employees will appreciate that they are utilizing the public's (rate-payer's) money and will be held to the highest possible standard when making purchasing decisions;

2.5 To participate with other local distribution companies (LDCs) in cooperative / collaborative purchasing activities where they are in the best interest of the company.

2.6 To always think about the "total acquisition cost" rather than the lowest bid. This includes, but is not limited to such factors as repairs, staff training, suitability, compatibility, warranty, trade-in values, recycling and disposal concerns. To consider "Value for money".

APPENDIX

4G

2019

NIAGARA-ON-THE-LAKE HYDRO

COST OF SERVICE RATE APPLICATION

EB-2018-0056

NIAGARA-ON-THE-LAKE HYDRO INC.

REPORT ON THE ACTUARIAL VALUATION OF POST-RETIREMENT NON-PENSION BENEFITS

AS AT DECEMBER 31, 2017

February 22, 2018 – FINAL

THE POWER OF BEING UNDERSTOOD
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EXECUTIVE SUMMARY

Purpose

RSM Canada Consulting LP was engaged by Niagara-on-the-Lake Hydro 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, 2017. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards ("IFRS") guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits ("IAS 19").

The most recent full valuation was prepared as at December 31, 2014 based on the then appropriate assumptions and in accordance with IAS 19.

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, 2017;

ii) To determine the defined benefit costs to be recognized for fiscal year 2017; and

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

Note that all monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding.

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.

Included in the Appendix attached hereto are detailed accounting schedules containing the results of the valuation and projections for future periods (if applicable).

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SECTION A — VALUATION RESULTS

Section A - 1 shows the key valuation results compared to previous year's figures projected from the most recent full valuation as well as a breakdown between active and retired individuals and type of benefit.

Section A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum and an increase/decrease in the discount rate by 1% per annum.

Section A - 3 shows the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2017.

Valuation Results

Section A.1—Valuation Results

Results from the actuarial valuation as at December 31, 2017 compared to previous year's figures projected from the most recent full valuation:

	December 31, 2016	December 31, 2017
Present Value of Defined Benefit Obligation (PV DBO)	**330,100**	**478,800**

	CY 2016	CY 2017
Current Service Cost	22,400	23,300
Interest Cost	12,700	12,800
Defined Benefit Cost Recognized in Income Statement	**35,100**	**36,100**
Actuarial (Gain)/Loss	-	146,200
Defined Benefit Cost Recognized In OCI	**-**	**146,200**
Defined Benefit Cost	**35,100**	**182,400**

The following table provides results from the actuarial valuation as at December 31, 2017 broken down by active (including LTD) and retired individuals and type of post-retirement non-pension benefit:

Dec. 31, 2017 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	37,400	124,900	**162,300**
Health	209,800	37,900	**247,700**
Dental	57,900	10,800	**68,700**
Total	**305,200**	**173,600**	**478,800**

Sensitivity Analysis

Section A.2—Sensitivity Analysis

	Dec. 31, 2017 PV DBO	Difference	% Difference
Base Assumptions	478,800		
Cost Trends +1%	514,500	35,700	7%
Cost Trends -1%	448,400	(30,400)	-6%
Discount Rate +1%	418,900	(59,900)	-13%
Discount Rate -1%	555,600	76,800	16%

Management's best estimate assumptions are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

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Development of Changes in the Present Value of Defined Benefit Obligation

Section A.3—Development of Changes in the Present Value of Defined Benefit Obligation

PV DBO at December 31, 2016	330,100
2017 Current Service Cost	23,300
2017 Benefit Payments	(33,600)
2017 Interest Cost	12,800
Expected PV DBO at December 31, 2017	**332,600**
Actuarial (Gain)/Loss at December 31, 2017	146,200
PV DBO at December 31, 2017	**478,800**

The increase indicated above of $146,200 in the PV DBO from the expected PV DBO at December 31, 2017 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Change in composition of active and retiree data (actual experience different than expected)	99,200
Change in assumptions:	
Discount rate	37,600
Health/dental claims costs	4,600
Claims cost trend rate	3,700
Mortality improvement	1,100
Total Actuarial (Gain)/Loss at December 31, 2017	**146,200**

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2017 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2017.

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SECTION B — PLAN PARTICIPANTS

Section B – 1 sets out the summary information with respect to the plan participants valued in the current valuation compared to those valued in the previous valuation.

Section B – 2 reconciles the number of participants in the previous valuation to the number of participants in the current valuation.

Participation Data

Section B.1—Participant Data

Membership data as at December 31, 2017 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 previous 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;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- 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.

	December 31, 2014	December 31, 2017
Employee Count		
Male	9.0	12.0
Female	4.0	7.0
Total	**13.0**	**19.0**
Employee Average Service		
Male	7.3	7.5
Female	10.3	8.8
Total	**8.2**	**8.0**
Retiree (in Receipt of Benefits) Count		
Male	7.0	7.0
Female	6.0	5.0
Total	**13.0**	**12.0**

	Employee Count as of Dec. 31, 2017			Employee Avg Service as of Dec. 31, 2017		
Age	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
< 30	3	1	4	6	2	5
30 - 35	1	1	2	1	8	4
36 - 40	3	2	5	7	9	8
41 - 45	1	1	2	2	17	9
46 - 50	2	-	2	10	-	10
51 - 55	2	2	4	14	9	16
56 - 60	-	-	-	-	-	-
61 - 65	-	-	-	-	-	-
66 - 70	-	-	-	-	-	-
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
Total	**12.0**	**7.0**	**19.0**	**7.5**	**8.8**	**8.0**

Participant Reconciliation

Section B.2—Participation Reconciliation

	Actives	Disabled	Retired
As at December 31, 2014	**13**	**1**	**12**
New Entrants	6	-	-
Actives	-	-	-
Terminated	(1)	-	-
Retired	-	-	-
Deceased	-	-	-
Disabled	-	-	-
No Longer Eligible	-	-	-
As at December 31, 2017	**18**	**1**	**12**

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, 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 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. 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 benefits under the plan (whether or not the benefits are conditional on further service) 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 (PV DBO) 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, 2017 is based on membership data as at December 31, 2017 and management's best estimate assumptions established for calculations as at December 31, 2017.

The Corporation self-insures its health and dental benefits. For these benefits, we have used the following average monthly benefit claims costs for 2018, which includes corresponding expenses and taxes, as an estimate of the claims to be incurred. These benefit claims costs have been calculated based on plan experience for the Corporation from January 2012 to September 2017:

	Health		Dental	
Effective Date	**Single**	**Family**	**Single**	**Family**
January 1, 2015 – December 31, 2015 (Previous Valuation)	$161.70	$323.40	$60.50	$121.00
January 1, 2018 – December 31, 2018	$207.00	$413.00	$61.00	$121.00

The above benefit cost levels were provided by the Corporation and represent the rates at 100%, prior to any cost-sharing provisions. For eligible union retirees, the Corporation will pay 50% of these cost levels in line with the co-pay benefit structure for post-retirement benefits.

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Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2017.

Economic Assumptions

Discount Rate

The rate used to discount future benefits is assumed to be 3.50% per annum as at December 31, 2017. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 2017.

This assumption chosen for the previous valuation at was 4.10% per annum.

Salary Increase Rate

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

This assumption remains unchanged from the previous valuation.

Claims Cost Trend Rate

The table below summarizes the health and dental trend rate assumption chosen for the current valuation as well as the assumption chosen for the previous valuation:

	Survey Results		Previous Valuation	
End of Year	**Health**	**Dental**	**Health**	**Dental**
2018	6.20%	4.50%	5.83%	4.50%
2019	5.96%	4.50%	5.61%	4.50%
2020	5.71%	4.50%	5.39%	4.50%
2021	5.47%	4.50%	5.17%	4.50%
2022	5.23%	4.50%	4.94%	4.50%
2023	4.99%	4.50%	4.72%	4.50%
2024	4.74%	4.50%	4.50%	4.50%
2025 and Thereafter	4.50%	4.50%	4.50%	4.50%

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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 B-2014.

The mortality table assumption remains unchanged from the previous valuation, but the mortality improvement assumption has been updated from the one-dimensional version of the same table.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table:

Age Bucket	Current Valuation
18 – 29	3.50%
30 – 34	2.50%
35 – 39	2.15%
40 – 49	1.75%
50 – 54	1.40%

The table above summarizes the withdrawal rates based on our recent analysis which are the same as the withdrawal rates chosen for the previous valuation.

Retirement Age

All active employees are assumed to retire at age 56 (or immediately if currently over age 56), which was based on the Corporation's retirement experience as well as the experience of other similar companies for which data was available.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability. For any employees currently disabled, it is assumed that they will remain disabled until retirement at age 65.

This assumption remains unchanged from the previous valuation.

Other Assumptions

Family/Single Coverage

The following assumptions were chosen for the current valuation and are unchanged from the previous valuation:

- Coverage Type at Retirement (i.e. family, single) – The employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses.

Expenses and Taxes

The taxes and expenses are included in the benefit cost levels assumed for health and dental benefits.

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

These assumptions remain 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.

Eligibility

All employees who retire from the Corporation are eligible for post-retirement life insurance. In addition, all employees who retire from the Corporation with an OMERS pension are eligible for post-retirement health, vision and dental benefits. .

Participant Contributions

The Corporation shall pay 100% of the cost of the post-retirement life, health, vision and dental benefits for the eligible management retirees. The Corporation shall pay 100% of the cost of the post-retirement life insurance benefits and 50% of the cost of the health, vision and dental benefits for eligible union retirees.

Summary of Benefits

Life Insurance

Upon retirement, all employees are entitled to post-retirement life insurance benefits, as per the MEARIE plan, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
A	Flat $2,000.	Employee retires with less than 10 years of service in the Plan.
B, C1	50% of final annual earnings, reducing by 2.5% of final annual earnings each year for 10 years, to a final benefit equal to 25% of final annual earnings. Reduction occurs on the anniversary date of retirement.	Employee retires with 10 or more years of service in the Plan and was hired before June 16, 1989. OR Employee was insured under the superseded plan and elected coverage under option 2, 3, or 4, or employee was not insured under the superseded plan.
C2	50% of final annual earnings.	Employee was insured under the superseded plan and was hired on or after May 1, 1967 and elected coverage under option 1 only.
C3	70% of final amount insured under the life plan immediately prior to retirement.	Employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under option 1 only.

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Health and Dental Benefits

Effective July 1, 2006, the Corporation self-insures its health and dental benefits. Eligible employees are entitled to post-retirement health and dental benefits to age 65. Health and dental benefits continue to the eligible dependent(s) of a deceased management retiree until the retiree would have turned age 65.

A detailed description of the health and dental benefits covered under the post-retirement non-pension benefits can be found in the above-noted documents.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Niagara-on-the-Lake Hydro Inc. ("the Corporation") as at December 31, 2017, 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 the date of completing this valuation that would have a significant effect on the valuation results contained herein.

The latest date on which the next actuarial valuation should be performed is December 31, 2020. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,
RSM CANADA CONSULTING LP

Stanley Caravaggio

Stanley Caravaggio, FSA, FCIA
Senior Manager

Jamie Wong, ASA, ACIA
Consultant

Toronto, Ontario

February 22, 2018

SECTION E — EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan
of Niagara-on-the-Lake Hydro Inc.
Actuarial Valuation as at December 31, 2017

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Niagara-on-the-Lake Hydro 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, 2017.

NIAGARA-ON-THE-LAKE HYDRO INC.

Feb 13, 2018
Date

Signature

Jeff Klassen
Name

VP Finance
Title

APPENDIX — DETAILED ACCOUNTING SCHEDULES

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Niagara-On-The-Lake
Estimated Benefit Expense (IAS 19)
CONSOLIDATED
FINAL

	Actuals CY 2017 *	Projected ** CY 2018	Projected ** CY 2019	Projected ** CY 2020
Discount Rate at January 1	4.10%	3.50%	3.50%	3.50%
Discount Rate at December 31	3.50%	3.50%	3.50%	3.50%
Health Benefit Cost Trend Rate at December 31				
Initial Trend Rate	6.20%	5.96%	5.71%	5.47%
Ultimate Rate	4.50%	4.50%	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.50%	4.50%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet				
Net Defined Benefit Liability/(Asset) as at January 1	330,064	478,806	506,322	534,786
Defined Benefit Cost Recognized in Income Statement	36,168	52,585	47,472	44,165
Defined Benefit Cost Recognized in Other Comprehensive Income	146,216	-	-	-
Benefits Paid by the Employer	(33,643)	(25,070)	(19,008)	(22,201)
Net Defined Benefit Liability/(Asset) as at December 31	478,806	506,322	534,786	556,749
B. Determination of Defined Benefit Cost				
B1. Determination of Defined Benefit Cost Recognized in Income Statement				
Current Service Cost	23,325	36,266	30,083	25,836
Interest Cost	12,843	16,319	17,389	18,329
Defined Benefit Cost Recognized in Income Statement	36,168	52,585	47,472	44,165
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income				
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	45,928	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	1,093	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	99,195	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	146,216	-	-	-
Total Defined Benefit Cost	182,385	52,585	47,472	44,165
C. Change in the Present Value of Defined Benefit Obligation				
Present Value of Defined Benefit Obligation as at January 1	330,064	478,806	506,322	534,786
Current Service Cost	23,325	36,266	30,083	25,836
Interest Cost	12,843	16,319	17,389	18,329
Benefits Paid	(33,643)	(25,070)	(19,008)	(22,201)
Net Actuarial Loss/(Gain)	146,216	-	-	-
Present Value of Defined Benefit Obligation as at December 31	478,806	506,322	534,786	556,749

* The CY 2017 defined benefit cost and expected PV DBO at December 31, 2017 are calculated based on membership data and management's best estimate assumptions at December 31, 2014.

** Projected CY 2018, 2019 and 2020 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

RSM

Niagara-On-The-Lake

Estimated Benefit Expense (IAS 19)

CONSOLIDATED

FINAL

	Actuals CY 2017 *	Projected ** CY 2018	Projected ** CY 2019	Projected ** CY 2020
Discount Rate at January 1	4.10%	3.50%	3.50%	3.50%
Discount Rate at December 31	3.50%	3.50%	3.50%	3.50%
Health Benefit Cost Trend Rate at December 31				
Initial Trend Rate	6.20%	5.96%	5.71%	5.47%
Ultimate Rate	4.50%	4.50%	4.50%	4.50%
Year Ultimate Rate Reached	2025	2025	2025	2025
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.50%	4.50%
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

D. Calculation of Component Items

Service Cost				
Current Service Cost	23,325	36,266	30,083	25,836
Interest Cost				
Present Value of Defined Benefit Obligation as at January 1	330,064	478,806	506,322	534,786
Benefits Paid	(16,821)	(12,535)	(9,504)	(11,101)
Accrued Benefits	313,243	466,271	496,818	523,685
Interest Cost	12,843	16,319	17,389	18,329
Expected Present Value of Defined Benefit Obligation as at December 31				
Present Value of Defined Benefit Obligation as at January 1	330,064	478,806	506,322	534,786
Current Service Cost	23,325	36,266	30,083	25,836
Benefits Paid	(33,643)	(25,070)	(19,008)	(22,201)
Interest Cost	12,843	16,319	17,389	18,329
Expected Present Value of Defined Benefit Obligation as at December 31	332,590	506,322	534,786	556,749

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) as at December 31				
Expected Present Value of Defined Benefit Obligation	332,590	506,322	534,786	556,749
Actual Present Value of Defined Benefit Obligation	478,806	506,322	534,786	556,749
Net Actuarial Loss/(Gain) as at December 31	146,216	-	-	-

* The CY 2017 defined benefit cost and expected PV DBO at December 31, 2017 are calculated based on membership data and management's best estimate assumptions at December 31, 2014.

** Projected CY 2018, 2019 and 2020 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on expected benefits to be paid to those eligible for benefits.

RSM

APPENDIX

4H

2019

NIAGARA-ON-THE-LAKE HYDRO

COST OF SERVICE RATE APPLICATION

EB-2018-0056

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Rebasing for the first time with depreciation policy changes made in 2013.	This appendix must be duplicated and completed for the years 2013 to 2018. The appendix for 2013 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2013 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Already rebased with depreciation policy changes in a prior rate application	This appendix must be completed for 2014 to 2018. The appendix for 2014 is to be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).	2014	MIFR

		Book Values													Service Lives				Depreciation Expense						
Account	Description	Opening NBV of Assets at Date of Policy Change- Jan. 1, 2013	Less Fully Depreciated / Disposals Previous Years	Fully Depreciated Current Year (NBV)	Less Disposals (NBV)	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [c]	Depreciation Expense on Disposals Current Year	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated Previous Years	Less Fully Depreciated Current Year	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [i]	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions (1/2 year rule)	Adjustments	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J 2014	Variance
		a	b	c	d	e = a - b - c - d	f	g	h	i	j	k = h - i - j	l	m	n	o = 1/n	p	q = 1/p	r = e/n + f + g	s = k/p +l	t = m/p x 0.5	u	v = r + s + t + u	w	x = w - v
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	45.00	2.22%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1611	Computer Software (Formally known as Account 1925)	$ 165,566	$ 54,937	$ 14,513	$ -	$ 96,115	$ 3,206	$ -	104,895	-	-	104,895	-	129,375	2.59	38.64%	3.00	33.33%	$ 40,344	$ 34,965	$ 21,563	$ -	$ 96,872	$ 96,872	$ (0)
1925	CIS Upgrade	$ 119,000	$ -	$ -	$ -	$ 119,000	$ -	$ -	-	-	-	-	-	-	3.50	28.58%	3.00	33.33%	$ 34,013	$ -	$ -	$ -	$ 34,013	$ 34,013	$ (0)
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 258,134	$ -	$ -	$ -	$ 258,134	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV York (TX)	$ 630,588	$ -	$ -	$ -	$ 630,588	$ -	$ -	-	-	-	-	-	-	35.52	2.82%	45.00	2.22%	$ 17,753	$ -	$ -	$ -	$ 17,753	$ 17,753	$ -
1815	Transformer Station Equipment >50 kV York Other	$ 1,466,075	$ -	$ -	$ -	$ 1,466,075	$ -	$ -	-	-	-	-	-	11,056	45.66	2.19%	55.00	1.82%	$ 32,109	$ -	$ 101	$ -	$ 32,210	$ 32,210	$ (0)
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	$ 544,453	$ -	$ -	$ -	$ 544,453	$ -	$ -	-	-	-	-	-	-	37.52	2.67%	45.00	2.22%	$ 14,511	$ -	$ -	$ -	$ 14,511	$ 14,511	$ -
1815	Transformer Station Equipment >50 kV Conc 5 Other	$ 1,664,608	$ -	$ -	$ -	$ 1,664,608	$ -	$ -	-	-	-	-	-	-	48.16	2.08%	55.00	1.82%	$ 34,567	$ -	$ -	$ -	$ 34,567	$ 34,567	$ (0)
1820	Distribution Station Equipment <50 kV	$ 47,927	$ 47,927	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 2,130,517	$ 1,659	$ -	$ 2,824	$ 2,126,035	$ -	$ -	261,715	-	-	261,715	-	188,907	26.93	0.04	45.00	2.22%	$ 78,938	$ 5,816	$ 2,099	$ -	$ 86,853	$ 86,853	$ -
1835	Overhead Conductors & Devices	$ 2,838,661	$ 1,850	$ -	$ 1,988	$ 2,834,822	$ -	$ -	145,956	-	-	145,956	-	259,557	41.85	0.02	60.00	1.67%	$ 67,742	$ 2,433	$ 2,163	$ -	$ 72,337	$ 72,337	$ -
1840	Underground Conduit	$ 2,705,310	$ -	$ -	$ -	$ 2,705,310	$ -	$ -	261,599	-	-	261,599	-	343,462	53.26	0.02	65.00	1.54%	$ 50,790	$ 4,025	$ 2,642	$ -	$ 57,457	$ 57,457	$ (0)
1845	Underground Conductors & Devices	$ 4,168,057	$ -	$ -	$ -	$ 4,168,057	$ -	$ -	518,222	-	-	518,222	-	483,538	29.89	3.35%	45.00	2.22%	$ 139,468	$ 11,516	$ 5,373	$ -	$ 156,357	$ 156,357	$ -
1850	Line Transformers	$ 3,765,974	$ 51,007	$ 115	$ 70,993	$ 3,643,859	$ 9	$ -	197,981	-	-	197,981	-	254,423	31.95	3.13%	45.00	2.22%	$ 114,074	$ 4,400	$ 2,827	$ -	$ 121,301	$ 121,301	$ -
1850	Line Transformers-Inventory	$ 96,563	$ -	$ -	$ -	$ 96,563	$ -	$ -	624	-	-	624	-	14,263	34.67	2.88%	45.00	2.22%	$ 2,786	$ 14	$ 158	$ -	$ 2,958	$ 2,958	$ 0
1850	Line Transformers-Damaged	$ 9,005	$ -	$ -	$ -	$ 9,005	$ -	$ -	-	-	-	-	-	-	1.03	96.73%	45.00	2.22%	$ 8,710	$ -	$ -	$ -	$ 8,710	$ 8,710	$ -
1850	Line Transformers-Spare	$ 73,441	$ -	$ -	$ -	$ 73,441	$ -	$ -	50,711	-	-	50,711	-	(43,251)	41.12	2.43%	45.00	2.22%	$ 1,786	$ 1,127	$ (481)	$ -	$ 2,432	$ 2,428	$ (4)
1855	Services (Overhead)	$ 443,107	$ -	$ -	$ -	$ 443,107	$ -	$ -	30,148	-	-	30,148	-	13,740	55.08	1.82%	60.00	1.67%	$ 8,044	$ 502	$ 114	$ -	$ 8,661	$ 8,661	$ 0
1855	Services (Underground)	$ 1,679,060	$ -	$ -	$ -	$ 1,679,060	$ -	$ -	225,648	-	-	225,648	-	276,278	38.61	2.59%	45.00	2.22%	$ 43,484	$ 5,014	$ 3,070	$ -	$ 51,569	$ 51,569	$ (0)
1860	Meters	$ 197,059	$ 308	$ 720	$ 269	$ 195,761	$ 360	$ -	-	-	-	-	-	14,163	23.67	4.23%	25.00	4.00%	$ 8,631	$ -	$ 283	$ -	$ 8,915	$ 8,915	$ -
1860	Meters (Smart Meters)	$ 1,370,813	$ -	$ -	$ 3,839	$ 1,366,975	$ -	$ -	26,675	-	-	26,675	-	35,905	12.39	8.07%	15.00	6.67%	$ 110,369	$ 1,778	$ 1,197	$ -	$ 113,344	$ 113,344	$ -
1860	Stranded Meters	$ 102,246	$ 95,264	$ 1,225	$ -	$ 5,757	$ 613	$ -	-	-	-	-	-	-	12.14	8.24%	-	0.00%	$ 1,087	$ -	$ -	$ -	$ 1,087	$ 1,087	$ -
1860	Non Stranded Meters-Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	27,758	-	-	27,758	-	-	-	0.00%	25.00	4.00%	$ -	$ 1,110	$ -	$ -	$ 1,110	$ 1,110	$ -
1860	Non Stranded Meters-CT/PT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Meters Inventory	$ 39,189	$ -	$ -	$ -	$ 39,189	$ -	$ -	(1,256)	-	-	(1,256)	-	3,359	16.29	6.14%	25.00	4.00%	$ 2,406	$ (50)	$ 67	$ -	$ 2,423	$ 2,423	$ -
1860	Smart Meters Inventory	$ 46,634	$ -	$ -	$ -	$ 46,634	$ -	$ -	(8,030)	-	-	(8,030)	-	(14,985)	14.10	7.09%	15.00	6.67%	$ 3,308	$ (535)	$ (499)	$ -	$ 2,273	$ 2,273	$ 0
1860	Non Stranded Meters-CT/PT Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1905	Land	$ 49,000	$ -	$ -	$ -	$ 49,000	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures-8 Henegan Rd	$ 678,370	$ -	$ -	$ -	$ 678,370	$ -	$ -	1,060	-	-	1,060	-	5,717	39.33	2.54%	60.00	1.67%	$ 17,249	$ 18	$ 48	$ -	$ 17,314	$ 17,314	$ 0
1908	Buildings & Fixtures-PCB Shed	$ 1,606	$ -	$ -	$ -	$ 1,606	$ -	$ -	-	-	-	-	-	-	5.00	19.99%	30.00	3.33%	$ 321	$ -	$ -	$ -	$ 321	$ 321	$ 0
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 43,264	$ -	$ 258	$ -	$ 43,006	$ 86	$ -	2,509	-	-	2,509	-	-	6.25	16.00%	10.00	10.00%	$ 6,964	$ 251	$ -	$ -	$ 7,215	$ 7,215	$ 0
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 38,222	$ 14,787	$ 9,257	$ -	$ 14,178	$ 3,769	$ -	38,762	-	-	38,762	-	6,033	2.64	37.85%	3.00	33.33%	$ 9,136	$ 12,921	$ 1,006	$ -	$ 23,062	$ 23,062	$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment < 3 Tons	$ 11,707	$ 3,415	$ 7,616	$ -	$ 676	$ 2,525	$ -	53,681	-	-	53,681	-	-	3.42	29.27%	5.00	20.00%	$ 2,722	$ 10,736	$ -	$ -	$ 13,459	$ 13,459	$ (0)
1930	Transportation Equipment > 3 Tons	$ 623,113	$ -	$ -	$ -	$ 623,113	$ -	$ -	-	-	-	-	-	-	7.86	12.72%	10.00	10.00%	$ 79,258	$ -	$ -	$ -	$ 79,258	$ 79,258	$ 0
1930	Transportation Equipment Trailers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	15.00	6.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1935	Stores Equipment	$ 6,309	$ -	$ 1	$ -	$ 6,308	$ 1	$ -	-	-	-	-	-	-	6.04	16.55%	10.00	10.00%	$ 1,045	$ -	$ -	$ -	$ 1,045	$ 1,045	$ (0)
1940	Tools, Shop & Garage Equipment	$ 63,171	$ 8,828	$ 2,303	$ -	$ 52,041	$ 763	$ -	7,788	-	-	7,788	-	512	3.77	26.53%	8.00	12.50%	$ 14,570	$ 973	$ 32	$ -	$ 15,575	$ 15,575	$ 0
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 15,938	$ -	$ -	$ -	$ 15,938	$ -	$ -	-	-	-	-	-	-	3.99	25.07%	10.00	10.00%	$ 3,995	$ -	$ -	$ -	$ 3,995	$ 3,995	$ (0)
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 110,749	$ 16,302	$ 10,489	$ -	$ 83,958	$ 3,477	$ -	237,952	-	-	237,952	-	-	2.97	33.73%	10.00	10.00%	$ 31,792	$ 23,795	$ -	$ (5,568)	$ 50,019	$ 50,094	$ 75
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants-Poles	$ (169,565)	$ -	$ -	$ -	$ (169,565)	$ -	$ -	(6,683)	-	-	(6,683)	-	-	38.55	2.59%	45.00	2.22%	$ (4,399)	$ (149)	$ -	$ -	$ (4,548)	$ (4,548)	$ 0
1995	Contributions & Grants-OH Conductor	$ (164,116)	$ -	$ -	$ -	$ (164,116)	$ -	$ -	-	-	-	-	-	-	52.82	1.89%	60.00	1.67%	$ (3,107)	$ -		$ -	$ (3,107)	$ (3,107)	$ 0
1995	Contributions & Grants-O/H Services	$ (88,520)	$ -	$ -	$ -	$ (88,520)	$ -	$ -	(9,014)	-	-	(9,014)	-	-	51.24	1.95%	60.00	1.67%	$ (1,728)	$ (150)	$ -	$ -	$ (1,878)	$ (1,878)	$ (0)
1995	Contributions & Grants-UG Conduit	$ (578,117)	$ -	$ -	$ -	$ (578,117)	$ -	$ -	(97,678)	-	-	(97,678)	-	-	60.82	1.64%	65.00	1.54%	$ (9,505)	$ (1,503)	$ -	$ -	$ (11,008)	$ (11,008)	$ -
1995	Contributions & Grants-UG Conductor	$ (1,090,529)	$ -	$ -	$ -	$ (1,090,529)	$ -	$ -	(144,330)	-	-	(144,330)	-	-	37.42	2.67%	45.00	2.22%	$ (29,142)	$ (3,207)	$ -	$ -	$ (32,349)	$ (32,349)	$ -
1995	Contributions & Grants-UG Services	$ (1,031,865)	$ -	$ -	$ -	$ (1,031,865)	$ -	$ -	(171,231)	-	-	(171,231)	-	-	38.47	2.60%	45.00	2.22%	$ (26,819)	$ (3,805)		$ -	$ (30,625)	$ (30,625)	$ (0)
1995	Contributions & Grants-TX	$ (1,509,639)	$ -	$ -	$ -	$ (1,509,639)	$ -	$ -	(143,573)	-	-	(143,573)	-	-	38.31	2.61%	45.00	2.22%	$ (39,401)	$ (3,191)	$ -	$ -	$ (42,592)	$ (42,592)	$ -
1995	Contributions & Grants-Meters	$ (4,319)	$ -	$ -	$ -	$ (4,319)	$ -	$ -	-	-	-	-	-	-	14.70	6.80%	25.00	4.00%	$ (294)	$ -	$ -	$ -	$ (294)	$ (294)	$ 0
1995	Contributions & Grants-Buildings	$ (9,620)	$ -	$ -	$ -	$ (9,620)	$ -	$ -	-	-	-	-	-	-	47.00	2.13%	60.00	1.67%	$ (205)	$ -	$ -	$ -	$ (205)	$ (205)	$ (0)
1995	Contributions & Grants-Rolling Stock	$ 0	$ -	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ 0	$ 0
1606	Organization	$ 9,807	$ -	$ -	$ 9,807	$ (0)	$ -	$ 1,252	-	-	-	-	-	-	20.00	5.00%	-	0.00%	$ 1,252	$ -	$ -	$ -	$ 1,252	$ 1,252	$ 0
2440	Def Rev-Contributions & Grants-O/H Poles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	9,252	-	0.00%	45.00	2.22%	$ -	$ -	$ 103	$ -	$ 103	$ 103	$ -
2440	Def Rev-Contributions & Grants-O/H Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	168	-	0.00%	60.00	1.67%	$ -	$ -	$ 1	$ -	$ 1	$ 1	$ -
2440	Def Rev-Contributions & Grants-O/H Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(15,377)	-	0.00%	60.00	1.67%	$ -	$ -	$ (128)	$ -	$ (128)	$ (128)	$ -
2440	Def Rev-Contributions & Grants-U/G Conduit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(219,667)	-	0.00%	65.00	1.54%	$ -	$ -	$ (1,690)	$ -	$ (1,690)	$ (1,690)	$ -
2440	Def Rev-Contributions & Grants-U/G Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(212,022)	-	0.00%	45.00	2.22%	$ -	$ -	$ (2,356)	$ -	$ (2,356)	$ (2,356)	$ -
2440	Def Rev-Contributions & Grants-U/G Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(207,443)	-	0.00%	45.00	2.22%	$ -	$ -	$ (2,305)	$ -	$ (2,305)	$ (2,305)	$ -
2440	Def Rev-Contributions & Grants-Transformers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(63,055)	-	0.00%	45.00	2.22%	$ -	$ -	$ (701)	$ -	$ (701)	$ (701)	$ -
2440	Def Rev-Contributions & Grants-Meters	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(320)	-	0.00%	25.00	4.00%	$ -	$ -	$ (6)	$ -	$ (6)	$ (6)	$ 0
2440	Def Rev-Contributions & Grants-Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Rolling Stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def Rev-Contributions & Grants-Stations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Battery	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total	**$ 21,566,951**	**$ 296,285**	**$ 46,497**	**$ 89,720**	**$ 21,134,449**	**$ 14,808**	**$ 1,252**	**1,611,888**	**-**	**-**	**1,611,888**	**-**	**1,273,589**					**$ 868,623**	**$ 108,804**	**$ 34,680**	**-$ 5,568**	**$ 1,006,539**	**$ 1,006,610**	**$ 71**

1,273,589.12
-

1,006,610.77
(0.61)

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Rebasing for the first time with depreciation policy changes made in 2013.	This appendix must be duplicated and completed for the years 2013 to 2018. The appendix for 2013 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2013 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Already rebased with depreciation policy changes in a prior rate application	This appendix must be completed for 2014 to 2018. The appendix for 2014 is to be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).	2015	MIFR

		Book Values													Service Lives				Depreciation Expense						
Account	Description	Opening NBV of Assets at Date of Policy Change- Jan. 1, 2013	Less Fully Depreciated / Disposals Previous Years	Fully Depreciated Current Year (NBV)	Less Disposals (NBV)	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [c]	Depreciation Expense on Disposals Current Year	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated Previous Years	Less Fully Depreciated Current Year	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [i]	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions (1/2 year rule)	Adjustments	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J 2015	Variance
		a	b	c	d	e = a - b - c - d	f	g	h	i	j	k = h - i - j	l	m	n	o = 1/n	p	q = 1/p	r = e/n + f + g	s = k/p + l	t = m/p x 0.5	u	v = r + s + t + u	w	x = w - v
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	1,661,056	-	0.00%	45.00	2.22%	$ -	$ -	$ 18,456	$ -	$ 18,456	$ 18,456	$ -
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	875,691	-	0.00%	55.00	1.82%	$ -	$ -	$ 7,961	$ -	$ 7,961	$ 7,961	$ -
1611	Computer Software (Formally known as Account 1925)	$ 165,566	$ 69,451	$ 96,115	$ -	$ (0)	$ 21,838	$ -	234,271	-	-	234,271	-	108,818	-	0.00%	3.00	33.33%	$ 21,838	$ 78,090	$ 18,136	$ -	$ 118,064	$ 118,064	$ 0
1925	CIS Upgrade	$ 119,000	$ -	$ -	$ -	$ 119,000	$ -	$ -	-	-	-	-	-	-	3.50	28.58%	3.00	33.33%	$ 34,013	$ -	$ -	$ -	$ 34,013	$ 34,013	$ 0
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 258,134	$ -	$ -	$ -	$ 258,134	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV York (TX)	$ 630,588	$ -	$ -	$ -	$ 630,588	$ -	$ -	-	-	-	-	-	-	35.52	2.82%	45.00	2.22%	$ 17,753	$ -	$ -	$ -	$ 17,753	$ 17,753	$ -
1815	Transformer Station Equipment >50 kV York Other	$ 1,466,075	$ -	$ -	$ -	$ 1,466,075	$ -	$ -	11,056	-	-	11,056	-	-	45.66	2.19%	55.00	1.82%	$ 32,109	$ 201	$ -	$ -	$ 32,310	$ 32,310	$ (0)
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	$ 544,453	$ -	$ -	$ -	$ 544,453	$ -	$ -	-	-	-	-	-	-	37.52	2.67%	45.00	2.22%	$ 14,511	$ -	$ -	$ -	$ 14,511	$ 14,511	$ -
1815	Transformer Station Equipment >50 kV Conc 5 Other	$ 1,664,608	$ -	$ -	$ -	$ 1,664,608	$ -	$ -	-	-	-	-	-	-	48.16	2.08%	55.00	1.82%	$ 34,567	$ -	$ -	$ -	$ 34,567	$ 34,567	$ (0)
1820	Distribution Station Equipment <50 kV	$ 47,927	$ 47,927	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 2,130,517	$ 4,483	$ -	$ 2,986	$ 2,123,049	$ -	$ -	450,622	-	-	450,622	-	178,746	27.13	0.04	45.00	2.22%	$ 78,268	$ 10,014	$ 1,986	$ -	$ 90,268	$ 90,268	$ -
1835	Overhead Conductors & Devices	$ 2,838,661	$ 3,838	$ 12,499	$ 8,181	$ 2,814,143	$ 4,166	$ -	405,513	-	-	405,513	-	149,660	44.53	0.02	60.00	1.67%	$ 67,363	$ 6,759	$ 1,247	$ -	$ 75,369	$ 75,369	$ -
1840	Underground Conduit	$ 2,705,310	$ -	$ -	$ -	$ 2,705,310	$ -	$ -	605,060	-	-	605,060	-	205,441	53.29	0.02	65.00	1.54%	$ 50,763	$ 9,309	$ 1,580	$ -	$ 61,652	$ 61,652	$ -
1845	Underground Conductors & Devices	$ 4,168,057	$ -	$ -	$ -	$ 4,168,057	$ -	$ -	1,001,761	-	-	1,001,761	-	288,464	29.89	3.35%	45.00	2.22%	$ 139,442	$ 22,261	$ 3,205	$ -	$ 164,908	$ 164,908	$ -
1850	Line Transformers	$ 3,765,974	$ 122,116	$ -	$ 33,033	$ 3,610,825	$ -	$ -	452,404	-	-	452,404	-	221,555	32.08	3.12%	45.00	2.22%	$ 112,559	$ 10,053	$ 2,462	$ -	$ 125,074	$ 125,074	$ -
1850	Line Transformers-Inventory	$ 96,563	$ -	$ -	$ -	$ 96,563	$ -	$ -	14,887	-	-	14,887	-	56,545	34.67	2.88%	45.00	2.22%	$ 2,786	$ 331	$ 628	$ -	$ 3,745	$ 3,745	$ 0
1850	Line Transformers-Damaged	$ 9,005	$ -	$ -	$ -	$ 9,005	$ -	$ -	-	-	-	-	-	-	-	0.00%	45.00	2.22%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1850	Line Transformers-Spare	$ 73,441	$ -	$ -	$ -	$ 73,441	$ -	$ -	7,461	-	-	7,461	-	23,793	41.12	2.43%	45.00	2.22%	$ 1,786	$ 166	$ 264	$ -	$ 2,216	$ 2,216	$ 0
1855	Services (Overhead)	$ 443,107	$ -	$ -	$ -	$ 443,107	$ -	$ -	43,888	-	-	43,888	-	14,725	55.08	1.82%	60.00	1.67%	$ 8,044	$ 731	$ 123	$ -	$ 8,898	$ 8,898	$ (0)
1855	Services (Underground)	$ 1,679,060	$ -	$ -	$ -	$ 1,679,060	$ -	$ -	501,926	-	-	501,926	-	335,556	38.61	2.59%	45.00	2.22%	$ 43,484	$ 11,154	$ 3,728	$ -	$ 58,367	$ 58,367	$ (0)
1860	Meters	$ 197,059	$ 1,298	$ 113	$ -	$ 195,648	$ 38	$ -	14,163	-	-	14,163	-	9,511	21.35	4.68%	25.00	4.00%	$ 9,203	$ 567	$ 190	$ -	$ 9,960	$ 9,960	$ -
1860	Meters (Smart Meters)	$ 1,370,813	$ 3,839	$ -	$ -	$ 1,366,975	$ -	$ -	62,580	-	-	62,580	-	33,503	12.47	8.02%	15.00	6.67%	$ 109,631	$ 4,172	$ 1,117	$ -	$ 114,919	$ 114,919	$ -
1860	Stranded Meters	$ 102,246	$ 96,489	$ 193	$ -	$ 5,565	$ 64	$ -	-	-	-	-	-	-	12.21	8.19%	-	0.00%	$ 520	$ -	$ -	$ -	$ 520	$ 520	$ -
1860	Non Stranded Meters-Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	27,758	-	-	27,758	-	-	-	0.00%	25.00	4.00%	$ -	$ 1,110	$ -	$ -	$ 1,110	$ 1,110	$ -
1860	Non Stranded Meters-CT/PT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Meters Inventory	$ 39,189	$ -	$ -	$ -	$ 39,189	$ -	$ -	2,104	-	-	2,104	-	659	16.15	6.19%	25.00	4.00%	$ 2,426	$ 84	$ 13	$ -	$ 2,524	$ 2,524	$ -
1860	Smart Meters Inventory	$ 46,634	$ -	$ -	$ -	$ 46,634	$ -	$ -	(23,015)	-	-	(23,015)	-	7,367	14.01	7.14%	15.00	6.67%	$ 3,330	$ (1,534)	$ 246	$ -	$ 2,041	$ 2,041	$ 0
1860	Non Stranded Meters-CT/PT Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1905	Land	$ 49,000	$ -	$ -	$ -	$ 49,000	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures-8 Henegan Rd	$ 678,370	$ -	$ -	$ -	$ 678,370	$ -	$ -	6,777	-	-	6,777	-	7,008	39.33	2.54%	60.00	1.67%	$ 17,249	$ 113	$ 58	$ -	$ 17,420	$ 17,420	$ 0
1908	Buildings & Fixtures-PCB Shed	$ 1,606	$ -	$ -	$ -	$ 1,606	$ -	$ -	-	-	-	-	-	-	5.00	19.99%	30.00	3.33%	$ 321	$ -	$ -	$ -	$ 321	$ 321	$ (0)
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 43,264	$ 258	$ 1,277	$ -	$ 41,729	$ 254	$ -	2,509	-	-	2,509	-	4,302	6.55	15.26%	10.00	10.00%	$ 6,621	$ 251	$ 215	$ -	$ 7,087	$ 7,087	$ (0)
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 38,222	$ 24,044	$ 14,178	$ -	$ (0)	$ 3,445	$ -	44,795	-	-	44,795	-	18,754	-	0.00%	3.00	33.33%	$ 3,445	$ 14,932	$ 3,126	$ -	$ 21,502	$ 21,502	$ (0)
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment < 3 Tons	$ 11,707	$ 11,031	$ -	$ -	$ 676	$ -	$ -	53,681	-	-	53,681	-	44,963	3.42	29.27%	5.00	20.00%	$ 198	$ 10,736	$ 4,496	$ -	$ 15,430	$ 15,430	$ 0
1930	Transportation Equipment > 3 Tons	$ 623,113	$ -	$ -	$ -	$ 623,113	$ -	$ -	-	-	-	-	-	-	7.86	12.72%	10.00	10.00%	$ 79,258	$ -	$ -	$ -	$ 79,258	$ 79,258	$ (0)
1930	Transportation Equipment Trailers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	15.00	6.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1935	Stores Equipment	$ 6,309	$ 1	$ -	$ -	$ 6,308	$ -	$ -	-	-	-	-	-	-	6.04	16.55%	10.00	10.00%	$ 1,044	$ -	$ -	$ -	$ 1,044	$ 1,044	$ (0)
1940	Tools, Shop & Garage Equipment	$ 63,171	$ 11,131	$ 15,347	$ -	$ 36,694	$ 3,049	$ -	8,300	-	-	8,300	-	3,842	4.79	20.87%	8.00	12.50%	$ 10,706	$ 1,037	$ 240	$ -	$ 11,984	$ 11,984	$ 0
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 15,938	$ -	$ 5,573	$ -	$ 10,364	$ 1,107	$ -	-	-	-	-	-	-	5.88	17.00%	10.00	10.00%	$ 2,869	$ -	$ -	$ -	$ 2,869	$ 2,869	$ (0)
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 110,749	$ 26,791	$ 55,491	$ -	$ 28,467	$ 11,025	$ -	237,952	-	-	237,952	-	-	4.68	21.36%	10.00	10.00%	$ 17,107	$ 23,795	$ -	$ (5,568)	$ 35,334	$ 35,409	$ 75
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants-Poles	$ (169,565)	$ -	$ -	$ -	$ (169,565)	$ -	$ -	(6,683)	-	-	(6,683)	-	-	38.55	2.59%	45.00	2.22%	$ (4,399)	$ (149)	$ -	$ -	$ (4,548)	$ (4,548)	$ 0
1995	Contributions & Grants-OH Conductor	$ (164,116)	$ -	$ -	$ -	$ (164,116)	$ -	$ -	-	-	-	-	-	-	52.82	1.89%	60.00	1.67%	$ (3,107)	$ -		$ -	$ (3,107)	$ (3,107)	$ 0
1995	Contributions & Grants-O/H Services	$ (88,520)	$ -	$ -	$ -	$ (88,520)	$ -	$ -	(9,014)	-	-	(9,014)	-	-	51.24	1.95%	65.00	1.54%	$ (1,728)	$ (139)	$ -	$ -	$ (1,866)	$ (1,878)	$ (12)
1995	Contributions & Grants-UG Conduit	$ (578,117)	$ -	$ -	$ -	$ (578,117)	$ -	$ -	(97,678)	-	-	(97,678)	-	-	59.13	1.69%	65.00	1.54%	$ (9,777)	$ (1,503)	$ -	$ -	$ (11,280)	$ (11,280)	$ (0)
1995	Contributions & Grants-UG Conductor	$ (1,090,529)	$ -	$ -	$ -	$ (1,090,529)	$ -	$ -	(144,330)	-	-	(144,330)	-	-	37.00	2.70%	45.00	2.22%	$ (29,473)	$ (3,207)	$ -	$ -	$ (32,681)	$ (32,681)	$ 0
1995	Contributions & Grants-UG Services	$ (1,031,865)	$ -	$ -	$ -	$ (1,031,865)	$ -	$ -	(171,231)	-	-	(171,231)	-	-	38.47	2.60%	45.00	2.22%	$ (26,819)	$ (3,805)		$ -	$ (30,625)	$ (30,625)	$ (0)
1995	Contributions & Grants-TX	$ (1,509,639)	$ -	$ -	$ -	$ (1,509,639)	$ -	$ -	(143,573)	-	-	(143,573)	-	-	38.06	2.63%	45.00	2.22%	$ (39,669)	$ (3,191)	$ -	$ -	$ (42,859)	$ (42,859)	$ (0)
1995	Contributions & Grants-Meters	$ (4,319)	$ -	$ -	$ -	$ (4,319)	$ -	$ -	-	-	-	-	-	-	14.70	6.80%	25.00	4.00%	$ (294)	$ -	$ -	$ -	$ (294)	$ (294)	$ 0
1995	Contributions & Grants-Buildings	$ (9,620)	$ -	$ -	$ -	$ (9,620)	$ -	$ -	-	-	-	-	-	-	47.00	2.13%	60.00	1.67%	$ (205)	$ -	$ -	$ -	$ (205)	$ (205)	$ (0)
1995	Contributions & Grants-Rolling Stock	$ 0	$ -	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1606	Organization	$ 9,807	$ 9,807	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	20.00	5.00%	-	0.00%	$ (0)	$ -	$ -	$ -	$ (0)	$ -	$ 0
2440	Def Rev-Contributions & Grants-O/H Poles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	9,252	-	-	9,252	-	(4,658)	-	0.00%	45.00	2.22%	$ -	$ 206	$ (52)	$ -	$ 154	$ 154	$ -
2440	Def Rev-Contributions & Grants-O/H Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	168	-	-	168	-	(4,516)	-	0.00%	60.00	1.67%	$ -	$ 3	$ (38)	$ -	$ (35)	$ (35)	$ 0
2440	Def Rev-Contributions & Grants-O/H Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(15,377)	-	-	(15,377)	-	(8,277)	-	0.00%	60.00	1.67%	$ -	$ (256)	$ (69)	$ -	$ (325)	$ (325)	$ 0
2440	Def Rev-Contributions & Grants-U/G Conduit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(219,667)	-	-	(219,667)	-	(95,395)	-	0.00%	65.00	1.54%	$ -	$ (3,379)	$ (734)	$ -	$ (4,113)	$ (4,113)	$ -
2440	Def Rev-Contributions & Grants-U/G Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(212,022)	-	-	(212,022)	-	(108,236)	-	0.00%	45.00	2.22%	$ -	$ (4,712)	$ (1,203)	$ -	$ (5,914)	$ (5,914)	$ (0)
2440	Def Rev-Contributions & Grants-U/G Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(207,443)	-	-	(207,443)	-	(262,080)	-	0.00%	45.00	2.22%	$ -	$ (4,610)	$ (2,912)	$ -	$ (7,522)	$ (7,522)	$ (0)
2440	Def Rev-Contributions & Grants-Transformers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(63,055)	-	-	(63,055)	-	(110,362)	-	0.00%	45.00	2.22%	$ -	$ (1,401)	$ (1,226)	$ -	$ (2,627)	$ (2,627)	$ 0
2440	Def Rev-Contributions & Grants-Meters	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(320)	-	-	(320)	-	(7,196)	-	0.00%	25.00	4.00%	$ -	$ (13)	$ (144)	$ -	$ (157)	$ (157)	$ 0
2440	Def Rev-Contributions & Grants-Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Rolling Stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def Rev-Contributions & Grants-Stations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Battery	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total	**$ 21,566,951**	**$ 432,502**	**$ 200,786**	**$ 44,200**	**$ 20,889,463**	**$ 44,986**	**$ -**	**2,885,478**	**-**	**-**	**2,885,478**	**-**	**3,649,238**					**$ 807,742**	**$ 178,176**	**$ 63,102**	**-$ 5,568**	**$ 1,043,451**	**$ 1,043,515**	**$ 63**

3,649,237.73
0.00

1,043,515.11
(0.26)

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Rebasing for the first time with depreciation policy changes made in 2013.	This appendix must be duplicated and completed for the years 2013 to 2018. The appendix for 2013 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2013 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Already rebased with depreciation policy changes in a prior rate application	This appendix must be completed for 2014 to 2018. The appendix for 2014 is to be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).	2016	MIFR

		Book Values													Service Lives				Depreciation Expense						
Account	Description	Opening NBV of Assets at Date of Policy Change- Jan. 1, 2013	Less Fully Depreciated / Disposals Previous Years	Fully Depreciated Current Year (NBV)	Less Disposals (NBV)	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [c]	Depreciation Expense on Disposals Current Year	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated Previous Years	Less Fully Depreciated Current Year	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [i]	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions (1/2 year rule)	Adjustments	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J 2016	Variance
		a	b	c	d	e = a - b - c - d	f	g	h	i	j	k = h - i - j	l	m	n	o = 1/n	p	q = 1/p	r = e/n + f + g	s = k/p +l	t = m/p x 0.5	u	v = r + s + t + u	w	x = w - v
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	-	-	-	-	-	-	-	1,661,056	-	-	1,661,056	-	30,906	-	0.00%	45.00	2.22%	-	36,912	343	-	37,256	37,256	-
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	-	-	-	-	-	-	-	875,691	-	-	875,691	-	16,642	-	0.00%	55.00	1.82%	-	15,922	151	-	16,073	15,878	(195)
1611	Computer Software (Formally known as Account 1925)	165,566	165,566	-	-	(0)	-	-	343,088	-	104,895	238,193	17,483	110,456	-	0.00%	3.00	33.33%	-	96,880	18,409	-	115,290	115,290	(0)
1925	CIS Upgrade	119,000	-	119,000	-	0	16,960	-	-	-	-	-	-	-	-	0.00%	3.00	33.33%	16,960	-	-	-	16,960	16,960	0
1612	Land Rights (Formally known as Account 1906)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1805	Land	258,134	-	-	-	258,134	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1808	Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1810	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1815	Transformer Station Equipment >50 kV York (TX)	630,588	-	-	-	630,588	-	-	-	-	-	-	-	-	35.52	2.82%	45.00	2.22%	17,753	-	-	49	17,801	17,801	-
1815	Transformer Station Equipment >50 kV York Other	1,466,075	-	-	-	1,466,075	-	-	11,056	-	-	11,056	-	29,230	45.66	2.19%	55.00	1.82%	32,109	201	266	88	32,664	32,664	(0)
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	544,453	-	-	-	544,453	-	-	-	-	-	-	-	-	37.52	2.67%	45.00	2.22%	14,511	-	-	-	14,511	14,511	-
1815	Transformer Station Equipment >50 kV Conc 5 Other	1,664,608	-	-	-	1,664,608	-	-	-	-	-	-	-	-	47.97	2.08%	55.00	1.82%	34,701	-	-	-	34,701	34,701	-
1820	Distribution Station Equipment <50 kV	47,927	47,927	-	-	(0)	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1825	Storage Battery Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1830	Poles, Towers & Fixtures	2,130,517	7,469	28,686	2,487	2,091,875	7,186	-	629,368	-	-	629,368	-	389,988	29.64	0.03	45.00	2.22%	77,760	13,986	4,333	-	96,080	96,080	-
1835	Overhead Conductors & Devices	2,838,661	24,518	-	2,539	2,811,604	-	-	555,172	-	-	555,172	-	220,211	44.65	0.02	60.00	1.67%	62,970	9,253	1,835	-	74,058	74,058	-
1840	Underground Conduit	2,705,310	-	-	-	2,705,310	-	-	810,501	-	-	810,501	-	242,371	53.12	0.02	65.00	1.54%	50,929	12,469	1,864	-	65,263	65,263	-
1845	Underground Conductors & Devices	4,168,057	-	-	-	4,168,057	-	-	1,290,225	-	-	1,290,225	-	490,830	29.81	3.35%	45.00	2.22%	139,823	28,672	5,454	-	173,949	173,949	-
1850	Line Transformers	3,765,974	155,149	2,512	33,412	3,574,902	629	-	673,958	-	-	673,958	-	793,436	32.46	3.08%	45.00	2.22%	110,766	14,977	8,816	-	134,559	134,559	(0)
1850	Line Transformers-Inventory	96,563	-	-	-	96,563	-	-	71,432	-	-	71,432	-	(67,705)	34.67	2.88%	45.00	2.22%	2,786	1,587	(752)	-	3,621	3,621	0
1850	Line Transformers-Damaged	9,005	-	-	-	9,005	-	-	-	-	-	-	-	-	30.34	3.30%	45.00	2.22%	297	-	-	-	297	297	-
1850	Line Transformers-Spare	73,441	-	-	-	73,441	-	-	31,254	-	-	31,254	-	45,642	41.12	2.43%	45.00	2.22%	1,786	695	507	-	2,988	2,988	(0)
1855	Services (Overhead)	443,107	-	-	-	443,107	-	-	58,613	-	-	58,613	-	10,231	54.93	1.82%	60.00	1.67%	8,066	977	85	-	9,128	9,128	-
1855	Services (Underground)	1,679,060	-	-	-	1,679,060	-	-	837,483	-	-	837,483	-	282,564	38.51	2.60%	45.00	2.22%	43,604	18,611	3,140	-	65,354	65,354	-
1860	Meters	197,059	1,411	1,890	3,006	190,752	474	-	23,675	-	-	23,675	-	52,668	20.18	4.95%	25.00	4.00%	9,925	947	1,053	-	11,926	11,926	-
1860	Meters (Smart Meters)	1,370,813	3,839	-	753	1,366,222	-	-	96,083	-	-	96,083	-	93,188	12.61	7.93%	15.00	6.67%	108,335	6,406	3,106	-	117,846	117,846	-
1860	Stranded Meters	102,246	96,682	3,217	-	2,348	806	-	-	-	-	-	-	-	12.21	8.19%	-	0.00%	998	-	-	-	998	998	-
1860	Non Stranded Meters-Other	-	-	-	-	-	-	-	27,758	-	-	27,758	-	-	-	0.00%	25.00	4.00%	-	1,110	-	-	1,110	1,110	-
1860	Non Stranded Meters-CT/PT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	40.00	2.50%	-	-	-	-	-	-	-
1860	Meters Inventory	39,189	-	-	-	39,189	-	-	2,763	-	-	2,763	-	(18,903)	16.15	6.19%	25.00	4.00%	2,426	111	(378)	-	2,159	2,159	-
1860	Smart Meters Inventory	46,634	-	-	-	46,634	-	-	(15,648)	-	-	(15,648)	-	(590)	14.01	7.14%	15.00	6.67%	3,330	(1,043)	(20)	-	2,267	2,267	-
1860	Non Stranded Meters-CT/PT Inventory	-	-	-	-	-	-	-	-	-	-	-	-	5,962	-	0.00%	-	0.00%	-	-	-	-	-	75	75
1905	Land	49,000	-	-	-	49,000	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1908	Buildings & Fixtures-8 Henegan Rd	678,370	-	-	-	678,370	-	-	13,785	-	-	13,785	-	81,142	39.22	2.55%	60.00	1.67%	17,296	230	676	-	18,202	18,202	-
1908	Buildings & Fixtures-PCB Shed	1,606	-	-	-	1,606	-	-	-	-	-	-	-	-	5.00	19.99%	30.00	3.33%	321	-	-	-	321	322	1
1910	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1915	Office Furniture & Equipment (10 years)	43,264	1,535	3,663	-	38,066	522	-	6,811	-	-	6,811	-	1,542	7.14	14.01%	10.00	10.00%	5,857	681	77	-	6,615	6,615	-
1915	Office Furniture & Equipment (5 years)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1920	Computer Equipment - Hardware	38,222	38,222	-	-	(0)	-	-	63,549	-	38,762	24,787	6,460	9,825	-	0.00%	3.00	33.33%	-	14,723	1,638	-	16,360	16,360	(0)
1920	Computer Equip.-Hardware(Post Mar. 22/04)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1920	Computer Equip.-Hardware(Post Mar. 19/07)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1930	Transportation Equipment < 3 Tons	11,707	11,031	676	-	0	82	-	98,643	-	-	98,643	-	-	-	0.00%	5.00	20.00%	82	19,729	-	-	19,811	19,811	(0)
1930	Transportation Equipment > 3 Tons	623,113	-	-	-	623,113	-	-	-	-	-	-	-	-	7.84	12.75%	10.00	10.00%	79,475	-	-	-	79,475	79,475	-
1930	Transportation Equipment Trailers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	15.00	6.67%	-	-	-	-	-	-	-
1935	Stores Equipment	6,309	1	-	-	6,308	-	-	-	-	-	-	-	-	6.04	16.55%	10.00	10.00%	1,044	-	-	-	1,044	1,047	3
1940	Tools, Shop & Garage Equipment	63,171	26,478	10,745	-	25,948	1,531	-	12,142	-	-	12,142	-	13,286	5.64	17.72%	8.00	12.50%	6,130	1,518	830	-	8,478	8,478	-
1945	Measurement & Testing Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1950	Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1955	Communications Equipment	15,938	5,573	-	-	10,364	-	-	-	-	-	-	-	-	5.88	17.00%	10.00	10.00%	1,762	-	-	-	1,762	1,767	5
1955	Communication Equipment (Smart Meters)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1960	Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1970	Load Management Controls Customer Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1975	Load Management Controls Utility Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1980	System Supervisor Equipment	110,749	82,282	11,149	-	17,318	1,589	-	237,952	-	-	237,952	-	43,204	5.98	16.72%	10.00	10.00%	4,484	23,795	2,160	(5,568)	24,871	25,005	133
1985	Miscellaneous Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1990	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1995	Contributions & Grants-Poles	(169,565)	-	-	-	(169,565)	-	-	(6,683)	-	-	(6,683)	-	-	38.55	2.59%	45.00	2.22%	(4,399)	(149)	-	-	(4,548)	(4,548)	0
1995	Contributions & Grants-OH Conductor	(164,116)	-	-	-	(164,116)	-	-	-	-	-	-	-	-	52.82	1.89%	60.00	1.67%	(3,107)	-		-	(3,107)	(3,107)	0
1995	Contributions & Grants-O/H Services	(88,520)	-	-	-	(88,520)	-	-	(9,014)	-	-	(9,014)	-	-	51.24	1.95%	65.00	1.54%	(1,728)	(139)	-	-	(1,866)	(1,878)	(12)
1995	Contributions & Grants-UG Conduit	(578,117)	-	-	-	(578,117)	-	-	(97,678)	-	-	(97,678)	-	-	59.13	1.69%	65.00	1.54%	(9,777)	(1,503)	-	-	(11,280)	(11,280)	(0)
1995	Contributions & Grants-UG Conductor	(1,090,529)	-	-	-	(1,090,529)	-	-	(144,330)	-	-	(144,330)	-	-	37.00	2.70%	45.00	2.22%	(29,473)	(3,207)	-	-	(32,681)	(32,681)	(0)
1995	Contributions & Grants-UG Services	(1,031,865)	-	-	-	(1,031,865)	-	-	(171,231)	-	-	(171,231)	-	-	38.47	2.60%	45.00	2.22%	(26,819)	(3,805)		-	(30,625)	(30,625)	0
1995	Contributions & Grants-TX	(1,509,639)	-	-	-	(1,509,639)	-	-	(143,573)	-	-	(143,573)	-	-	38.06	2.63%	45.00	2.22%	(39,669)	(3,191)	-	-	(42,859)	(42,859)	(0)
1995	Contributions & Grants-Meters	(4,319)	-	-	-	(4,319)	-	-	-	-	-	-	-	-	14.70	6.80%	25.00	4.00%	(294)	-	-	-	(294)	(294)	(0)
1995	Contributions & Grants-Buildings	(9,620)	-	-	-	(9,620)	-	-	-	-	-	-	-	-	47.00	2.13%	60.00	1.67%	(205)	-	-	-	(205)	(205)	(0)
1995	Contributions & Grants-Rolling Stock	0	-	-	-	0	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
1606	Organization	9,807	9,807	-	-	(0)	-	-	-	-	-	-	-	-	20.00	5.00%	-	0.00%	(0)	-	-	-	(0)	-	0
2440	Def Rev-Contributions & Grants-O/H Poles	-	-	-	-	-	-	-	4,594	-	-	4,594	-	(200,138)	-	0.00%	45.00	2.22%	-	102	(2,224)	-	(2,122)	(2,122)	-
2440	Def Rev-Contributions & Grants-O/H Conductor	-	-	-	-	-	-	-	(4,348)	-	-	(4,348)	-	(83,434)	-	0.00%	60.00	1.67%	-	(72)	(695)	-	(768)	(768)	(0)
2440	Def Rev-Contributions & Grants-O/H Services	-	-	-	-	-	-	-	(23,655)	-	-	(23,655)	-	(4,549)	-	0.00%	60.00	1.67%	-	(394)	(38)	-	(432)	(432)	0
2440	Def Rev-Contributions & Grants-U/G Conduit	-	-	-	-	-	-	-	(315,062)	-	-	(315,062)	-	(128,955)	-	0.00%	65.00	1.54%	-	(4,847)	(992)	-	(5,839)	(5,839)	(0)
2440	Def Rev-Contributions & Grants-U/G Conductor	-	-	-	-	-	-	-	(320,258)	-	-	(320,258)	-	(281,791)	-	0.00%	45.00	2.22%	-	(7,117)	(3,131)	-	(10,248)	(10,248)	(0)
2440	Def Rev-Contributions & Grants-U/G Services	-	-	-	-	-	-	-	(469,524)	-	-	(469,524)	-	(195,466)	-	0.00%	45.00	2.22%	-	(10,434)	(2,172)	-	(12,606)	(12,606)	(0)
2440	Def Rev-Contributions & Grants-Transformers	-	-	-	-	-	-	-	(173,417)	-	-	(173,417)	-	(658,899)	-	0.00%	45.00	2.22%	-	(3,854)	(7,321)	-	(11,175)	(11,175)	0
2440	Def Rev-Contributions & Grants-Meters	-	-	-	-	-	-	-	(7,516)	-	-	(7,516)	-	(50,044)	-	0.00%	25.00	4.00%	-	(301)	(1,001)	-	(1,302)	(1,302)	0
2440	Def Rev-Contributions & Grants-Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	60.00	1.67%	-	-	-	-	-	-	-
2440	Def rev-Contributions & Grants-Rolling Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
2440	Def Rev-Contributions & Grants-Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
2440	Def rev-Contributions & Grants-Battery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	-	-	-	-	-	-
	Total	**21,566,951**	**677,488**	**181,538**	**42,197**	**20,665,728**	**29,780**	**-**	**6,534,715**	**-**	**143,657**	**6,391,058**	**23,943**	**1,272,851**					**740,815**	**280,437**	**36,021**	**-5,432**	**1,051,842**	**1,051,852**	**9**
														1,272,850.50										1,051,851.60	
														-										-	

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Rebasing for the first time with depreciation policy changes made in 2013.	This appendix must be duplicated and completed for the years 2013 to 2018. The appendix for 2013 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2013 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Already rebased with depreciation policy changes in a prior rate application	This appendix must be completed for 2014 to 2018. The appendix for 2014 is to be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).	2017	MIFR

		Book Values													Service Lives				Depreciation Expense						
Account	Description	Opening NBV of Assets at Date of Policy Change- Jan. 1, 2013	Less Fully Depreciated / Disposals Previous Years	Fully Depreciated Current Year (NBV)	Less Disposals (NBV)	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [c]	Depreciation Expense on Disposals Current Year	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated Previous Years	Less Fully Depreciated Current Year	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [i]	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions (1/2 year rule)	Adjustments	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J 2017	Variance
		a	b	c	d	e = a - b - c - d	f	g	h	i	j	k = h - i - j	l	m	n	o = 1/n	p	q = 1/p	r = e/n + f + g	s = k/p +l	t = m/p x 0.5	u	v = r + s + t + u	w	x = w - v
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1,691,962	-	-	1,691,962	-	(12,199)	-	0.00%	45.00	2.22%	$ -	$ 37,599	$ (136)	$ -	$ 37,464	$ 37,464	$ -
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	892,333	-	-	892,333	-	(6,568)	-	0.00%	55.00	1.82%	$ -	$ 16,224	$ (60)	$ -	$ 16,165	$ 15,969	$ (195)
1611	Computer Software (Formally known as Account 1925)	$ 165,566	$ 165,566	$ -	$ -	$ (0)	$ -	$ -	453,545	104,895	129,375	219,274	21,563	128,951	-	0.00%	3.00	33.33%	$ -	$ 94,654	$ 21,492	$ -	$ 116,146	$ 116,146	$ (0)
1925	CIS Upgrade	$ 119,000	$ 119,000	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-	-	0.00%	3.00	33.33%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 258,134	$ -	$ -	$ -	$ 258,134	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV York (TX)	$ 630,588	$ -	$ -	$ -	$ 630,588	$ -	$ -	-	-	-	-	-	-	35.52	2.82%	45.00	2.22%	$ 17,753	$ -	$ -	$ -	$ 17,753	$ 17,753	$ -
1815	Transformer Station Equipment >50 kV York Other	$ 1,466,075	$ -	$ -	$ -	$ 1,466,075	$ -	$ -	40,286	-	-	40,286	-	-	45.66	2.19%	55.00	1.82%	$ 32,109	$ 732	$ -	$ -	$ 32,842	$ 32,842	$ (0)
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	$ 544,453	$ -	$ -	$ -	$ 544,453	$ -	$ -	-	-	-	-	-	-	37.52	2.67%	45.00	2.22%	$ 14,511	$ -	$ -	$ -	$ 14,511	$ 14,511	$ -
1815	Transformer Station Equipment >50 kV Conc 5 Other	$ 1,664,608	$ -	$ -	$ -	$ 1,664,608	$ -	$ -	-	-	-	-	-	62,902	48.16	2.08%	55.00	1.82%	$ 34,567	$ -	$ 572	$ -	$ 35,139	$ 35,139	$ (0)
1820	Distribution Station Equipment <50 kV	$ 47,927	$ 47,927	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 2,130,517	$ 38,642	$ -	$ 11,161	$ 2,080,714	$ -	$ -	1,019,355	-	-	1,019,355	-	200,277	29.73	0.03	45.00	2.22%	$ 69,976	$ 22,652	$ 2,225	$ -	$ 94,854	$ 94,854	$ -
1835	Overhead Conductors & Devices	$ 2,838,661	$ 27,057	$ -	$ 40,569	$ 2,771,035	$ -	$ -	775,383	-	-	775,383	-	204,722	44.63	0.02	60.00	1.67%	$ 62,094	$ 12,923	$ 1,706	$ -	$ 76,723	$ 76,723	$ (0)
1840	Underground Conduit	$ 2,705,310	$ -	$ -	$ -	$ 2,705,310	$ -	$ -	1,052,872	-	-	1,052,872	-	79,252	53.24	0.02	65.00	1.54%	$ 50,817	$ 16,198	$ 610	$ -	$ 67,625	$ 67,625	$ -
1845	Underground Conductors & Devices	$ 4,168,057	$ -	$ -	$ -	$ 4,168,057	$ -	$ -	1,781,055	-	-	1,781,055	-	153,950	29.89	3.35%	45.00	2.22%	$ 139,442	$ 39,579	$ 1,711	$ -	$ 180,731	$ 180,731	$ -
1850	Line Transformers	$ 3,765,974	$ 191,072	$ -	$ 52,090	$ 3,522,812	$ -	$ -	1,467,395	-	-	1,467,395	-	337,663	32.52	3.08%	45.00	2.22%	$ 108,338	$ 32,609	$ 3,752	$ -	$ 144,699	$ 144,699	$ (0)
1850	Line Transformers-Inventory	$ 96,563	$ -	$ -	$ -	$ 96,563	$ -	$ -	3,727	-	-	3,727	-	(11,493)	34.67	2.88%	45.00	2.22%	$ 2,786	$ 83	$ (128)	$ -	$ 2,741	$ 2,741	$ (0)
1850	Line Transformers-Damaged	$ 9,005	$ -	$ -	$ -	$ 9,005	$ -	$ -	-	-	-	-	-	-	30.34	3.30%	45.00	2.22%	$ 297	$ -	$ -	$ -	$ 297	$ 297	$ -
1850	Line Transformers-Spare	$ 73,441	$ -	$ -	$ -	$ 73,441	$ -	$ -	76,896	-	-	76,896	-	(6,053)	41.12	2.43%	45.00	2.22%	$ 1,786	$ 1,709	$ (67)	$ -	$ 3,428	$ 3,428	$ 0
1855	Services (Overhead)	$ 443,107	$ -	$ -	$ -	$ 443,107	$ -	$ -	68,844	-	-	68,844	-	5,770	55.08	1.82%	60.00	1.67%	$ 8,044	$ 1,147	$ 48	$ -	$ 9,240	$ 9,240	$ (0)
1855	Services (Underground)	$ 1,679,060	$ -	$ -	$ -	$ 1,679,060	$ -	$ -	1,120,047	-	-	1,120,047	-	198,083	38.61	2.59%	45.00	2.22%	$ 43,484	$ 24,890	$ 2,201	$ -	$ 70,575	$ 70,575	$ 0
1860	Meters	$ 197,059	$ 6,308	$ 1,664	$ 95	$ 188,992	$ 333	$ -	76,343	-	-	76,343	-	4,774	21.66	4.62%	25.00	4.00%	$ 9,060	$ 3,054	$ 95	$ -	$ 12,209	$ 12,215	$ 6
1860	Meters (Smart Meters)	$ 1,370,813	$ 4,592	$ -	$ -	$ 1,366,222	$ -	$ -	189,272	-	-	189,272	-	71,670	12.56	7.96%	15.00	6.67%	$ 108,812	$ 12,618	$ 2,389	$ -	$ 123,819	$ 123,819	$ -
1860	Stranded Meters	$ 102,246	$ 99,898	$ 2,832	$ -	$ (484)	$ 566	$ -	-	-	-	-	-	-	0.86	116.90%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Non Stranded Meters-Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	27,758	-	-	27,758	-	-	-	0.00%	25.00	4.00%	$ -	$ 1,110	$ -	$ -	$ 1,110	$ 1,110	$ -
1860	Non Stranded Meters-CT/PT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Meters Inventory	$ 39,189	$ -	$ -	$ -	$ 39,189	$ -	$ -	(16,139)	-	-	(16,139)	-	4,638	16.15	6.19%	25.00	4.00%	$ 2,426	$ (646)	$ 93	$ -	$ 1,873	$ 1,873	$ -
1860	Smart Meters Inventory	$ 46,634	$ -	$ -	$ -	$ 46,634	$ -	$ -	(16,238)	-	-	(16,238)	-	(1,661)	13.39	7.47%	15.00	6.67%	$ 3,483	$ (1,083)	$ (55)	$ -	$ 2,345	$ 2,345	$ -
1860	Non Stranded Meters-CT/PT Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ -	5,962	-	-	5,962	-	346	-	0.00%	40.00	2.50%	$ -	$ 149	$ 4	$ -	$ 153	$ 153	$ -
1905	Land	$ 49,000	$ -	$ -	$ -	$ 49,000	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures-8 Henegan Rd	$ 678,370	$ -	$ -	$ -	$ 678,370	$ -	$ -	94,927	-	-	94,927	-	49,690	39.33	2.54%	60.00	1.67%	$ 17,249	$ 1,582	$ 414	$ -	$ 19,245	$ 19,245	$ 0
1908	Buildings & Fixtures-PCB Shed	$ 1,606	$ -	$ 1,606	$ -	$ (0)	$ 321	$ -	-	-	-	-	-	-	5.00	19.99%	30.00	3.33%	$ 321	$ -	$ -	$ -	$ 321	$ 321	$ 0
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 43,264	$ 5,198	$ 3,292	$ -	$ 34,774	$ 363	$ -	8,353	-	-	8,353	-	4,854	7.58	13.20%	10.00	10.00%	$ 4,951	$ 835	$ 243	$ -	$ 6,029	$ 6,029	$ 0
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 38,222	$ 38,222	$ -	$ -	$ (0)	$ -	$ -	73,374	38,762	6,033	28,579	1,006	17,584	-	0.00%	3.00	33.33%	$ -	$ 10,532	$ 2,931	$ -	$ 13,463	$ 13,463	$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment < 3 Tons	$ 11,707	$ 11,707	$ -	$ -	$ 0	$ -	$ -	98,643	-	-	98,643	-	-	-	0.00%	5.00	20.00%	$ -	$ 19,729	$ -	$ -	$ 19,729	$ 19,729	$ (0)
1930	Transportation Equipment > 3 Tons	$ 623,113	$ -	$ 78,117	$ -	$ 544,996	$ 8,611	$ -	-	-	-	-	-	-	8.81	11.36%	10.00	10.00%	$ 70,504	$ -	$ -	$ -	$ 70,504	$ 70,504	$ (0)
1930	Transportation Equipment Trailers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	45,650	-	0.00%	15.00	6.67%	$ -	$ -	$ 1,522	$ -	$ 1,522	$ 1,522	$ 0
1935	Stores Equipment	$ 6,309	$ 1	$ 810	$ -	$ 5,498	$ 89	$ -	-	-	-	-	-	-	6.36	15.72%	10.00	10.00%	$ 954	$ -	$ -	$ -	$ 954	$ 954	$ 0
1940	Tools, Shop & Garage Equipment	$ 63,171	$ 37,223	$ 5,738	$ -	$ 20,210	$ 633	$ -	25,428	-	-	25,428	-	9,498	6.11	16.38%	8.00	12.50%	$ 3,943	$ 3,178	$ 594	$ -	$ 7,715	$ 7,715	$ 0
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 15,938	$ 5,573	$ -	$ -	$ 10,364	$ -	$ -	-	-	-	-	-	-	5.88	17.00%	10.00	10.00%	$ 1,762	$ -	$ -	$ -	$ 1,762	$ 1,762	$ 0
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 110,749	$ 93,431	$ 8,057	$ -	$ 9,261	$ 888	$ -	281,156	-	-	281,156	-	60,943	8.39	11.92%	10.00	10.00%	$ 1,992	$ 28,116	$ 3,047	$ (5,568)	$ 27,587	$ 27,662	$ 75
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants-Poles	$ (169,565)	$ -	$ -	$ -	$ (169,565)	$ -	$ -	(6,683)	-	-	(6,683)	-	-	38.55	2.59%	45.00	2.22%	$ (4,399)	$ (149)	$ -	$ -	$ (4,548)	$ (4,548)	$ (0)
1995	Contributions & Grants-OH Conductor	$ (164,116)	$ -	$ -	$ -	$ (164,116)	$ -	$ -	-	-	-	-	-	-	52.82	1.89%	60.00	1.67%	$ (3,107)	$ -		$ -	$ (3,107)	$ (3,107)	$ (0)
1995	Contributions & Grants-O/H Services	$ (88,520)	$ -	$ -	$ -	$ (88,520)	$ -	$ -	(9,014)	-	-	(9,014)	-	-	51.24	1.95%	65.00	1.54%	$ (1,728)	$ (139)	$ -	$ -	$ (1,866)	$ (1,878)	$ (12)
1995	Contributions & Grants-UG Conduit	$ (578,117)	$ -	$ -	$ -	$ (578,117)	$ -	$ -	(97,678)	-	-	(97,678)	-	-	59.13	1.69%	65.00	1.54%	$ (9,777)	$ (1,503)	$ -	$ -	$ (11,280)	$ (11,280)	$ (0)
1995	Contributions & Grants-UG Conductor	$ (1,090,529)	$ -	$ -	$ -	$ (1,090,529)	$ -	$ -	(144,330)	-	-	(144,330)	-	-	37.00	2.70%	45.00	2.22%	$ (29,473)	$ (3,207)	$ -	$ -	$ (32,681)	$ (32,681)	$ (0)
1995	Contributions & Grants-UG Services	$ (1,031,865)	$ -	$ -	$ -	$ (1,031,865)	$ -	$ -	(171,231)	-	-	(171,231)	-	-	38.47	2.60%	45.00	2.22%	$ (26,819)	$ (3,805)		$ -	$ (30,625)	$ (30,625)	$ 0
1995	Contributions & Grants-TX	$ (1,509,639)	$ -	$ -	$ -	$ (1,509,639)	$ -	$ -	(143,573)	-	-	(143,573)	-	-	38.06	2.63%	45.00	2.22%	$ (39,669)	$ (3,191)	$ -	$ -	$ (42,859)	$ (42,859)	$ 0
1995	Contributions & Grants-Meters	$ (4,319)	$ -	$ -	$ -	$ (4,319)	$ -	$ -	-	-	-	-	-	-	14.70	6.80%	25.00	4.00%	$ (294)	$ -	$ -	$ -	$ (294)	$ (294)	$ (0)
1995	Contributions & Grants-Buildings	$ (9,620)	$ -	$ -	$ -	$ (9,620)	$ -	$ -	-	-	-	-	-	-	47.00	2.13%	60.00	1.67%	$ (205)	$ -	$ -	$ -	$ (205)	$ (205)	$ (0)
1995	Contributions & Grants-Rolling Stock	$ 0	$ -	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1606	Organization	$ 9,807	$ 9,807	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	20.00	5.00%	-	0.00%	$ (0)	$ -	$ -	$ -	$ (0)	$ -	$ 0
2440	Def Rev-Contributions & Grants-O/H Poles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(195,544)	-	-	(195,544)	-	(5,411)	-	0.00%	45.00	2.22%	$ -	$ (4,345)	$ (60)	$ -	$ (4,406)	$ (4,406)	$ -
2440	Def Rev-Contributions & Grants-O/H Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(87,783)	-	-	(87,783)	-	(5,713)	-	0.00%	60.00	1.67%	$ -	$ (1,463)	$ (48)	$ -	$ (1,511)	$ (1,511)	$ -
2440	Def Rev-Contributions & Grants-O/H Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(28,204)	-	-	(28,204)	-	(5,774)	-	0.00%	60.00	1.67%	$ -	$ (470)	$ (48)	$ -	$ (518)	$ (518)	$ 0
2440	Def Rev-Contributions & Grants-U/G Conduit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(444,017)	-	-	(444,017)	-	(12,498)	-	0.00%	65.00	1.54%	$ -	$ (6,831)	$ (96)	$ -	$ (6,927)	$ (6,927)	$ 0
2440	Def Rev-Contributions & Grants-U/G Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(602,049)	-	-	(602,049)	-	(60,737)	-	0.00%	45.00	2.22%	$ -	$ (13,379)	$ (675)	$ -	$ (14,054)	$ (14,054)	$ -
2440	Def Rev-Contributions & Grants-U/G Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(664,990)	-	-	(664,990)	-	(115,089)	-	0.00%	45.00	2.22%	$ -	$ (14,778)	$ (1,279)	$ -	$ (16,056)	$ (16,056)	$ (0)
2440	Def Rev-Contributions & Grants-Transformers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(832,316)	-	-	(832,316)	-	(102,696)	-	0.00%	45.00	2.22%	$ -	$ (18,496)	$ (1,141)	$ -	$ (19,637)	$ (19,637)	$ -
2440	Def Rev-Contributions & Grants-Meters	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(57,560)	-	-	(57,560)	-	(12,035)	-	0.00%	25.00	4.00%	$ -	$ (2,302)	$ (241)	$ -	$ (2,543)	$ (2,543)	$ 0
2440	Def Rev-Contributions & Grants-Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Rolling Stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def Rev-Contributions & Grants-Stations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Battery	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total	**$ 21,566,951**	**$ 901,223**	**$ 102,116**	**$ 103,915**	**$ 20,459,697**	**$ 11,803**	**$ -**	**7,807,566**	**143,657**	**135,409**	**7,528,500**	**22,568**	**1,283,291**					**$ 695,990**	**$ 306,118**	**$ 41,614**	**-$ 5,568**	**$ 1,038,155**	**$ 1,038,029**	**-$ 126**
													1,283,290.52 0.36											1,038,028.70 (0.01)	

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Rebasing for the first time with depreciation policy changes made in 2013.	This appendix must be duplicated and completed for the years 2013 to 2018. The appendix for 2013 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2013 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Already rebased with depreciation policy changes in a prior rate application	This appendix must be completed for 2014 to 2018. The appendix for 2014 is to be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).	2018	MIFR

		Book Values												
Account	Description	Opening NBV of Assets at Date of Policy Change- Jan. 1, 2013	Less Fully Depreciated / Disposals Previous Years	Fully Depreciated Current Year (NBV)	Less Disposals (NBV)	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [c]	Depreciation Expense on Disposals Current Year	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated Previous Years	Less Fully Depreciated Current Year	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [i]	Current Year Additions
		a	b	c	d	e = a - b - c - d	f	g	h	i	j	k = h - i - j	l	m
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1,679,763	-	-	1,679,763	-	-
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	885,765	-	-	885,765	-	-
1611	Computer Software (Formally known as Account 1925)	$ 165,566	$ 165,566	$ -	$ -	$ (0)	$ -	$ -	582,496	234,271	108,818	239,407	18,136	14,250
1925	CIS Upgrade	$ 119,000	$ 119,000	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1805	Land	$ 258,134	$ -	$ -	$ -	$ 258,134	$ -	$ -	-	-	-	-	-	-
1808	Buildings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1815	Transformer Station Equipment >50 kV York (TX)	$ 630,588	$ -	$ -	$ -	$ 630,588	$ -	$ -	-	-	-	-	-	-
1815	Transformer Station Equipment >50 kV York Other	$ 1,466,075	$ -	$ -	$ -	$ 1,466,075	$ -	$ -	40,286	-	-	40,286	-	-
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	$ 544,453	$ -	$ -	$ -	$ 544,453	$ -	$ -	-	-	-	-	-	-
1815	Transformer Station Equipment >50 kV Conc 5 Other	$ 1,664,608	$ -	$ -	$ -	$ 1,664,608	$ -	$ -	62,902	-	-	62,902	-	165,000
1820	Distribution Station Equipment <50 kV	$ 47,927	$ 47,927	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1830	Poles, Towers & Fixtures	$ 2,130,517	$ 49,803	$ -	$ -	$ 2,080,714	$ -	$ -	1,219,633	-	-	1,219,633	-	1,032,487
1835	Overhead Conductors & Devices	$ 2,838,661	$ 67,626	$ -	$ -	$ 2,771,035	$ -	$ -	980,105	-	-	980,105	-	672,255
1840	Underground Conduit	$ 2,705,310	$ -	$ -	$ -	$ 2,705,310	$ -	$ -	1,132,124	-	-	1,132,124	-	420,002
1845	Underground Conductors & Devices	$ 4,168,057	$ -	$ -	$ -	$ 4,168,057	$ -	$ -	1,935,005	-	-	1,935,005	-	544,852
1850	Line Transformers	$ 3,765,974	$ 243,162	$ -	$ -	$ 3,522,812	$ -	$ -	1,805,058	-	-	1,805,058	-	253,208
1850	Line Transformers-Inventory	$ 96,563	$ -	$ -	$ -	$ 96,563	$ -	$ -	(7,767)	-	-	(7,767)	-	-
1850	Line Transformers-Damaged	$ 9,005	$ -	$ -	$ -	$ 9,005	$ -	$ -	-	-	-	-	-	-
1850	Line Transformers-Spare	$ 73,441	$ -	$ -	$ -	$ 73,441	$ -	$ -	70,843	-	-	70,843	-	-
1855	Services (Overhead)	$ 443,107	$ -	$ -	$ -	$ 443,107	$ -	$ -	74,614	-	-	74,614	-	85,000
1855	Services (Underground)	$ 1,679,060	$ -	$ -	$ -	$ 1,679,060	$ -	$ -	1,318,130	-	-	1,318,130	-	817,896
1860	Meters	$ 197,059	$ 8,067	$ 2,184	$ -	$ 186,808	$ 364	$ -	81,117	-	-	81,117	-	44,971
1860	Meters (Smart Meters)	$ 1,370,813	$ 4,592	$ -	$ -	$ 1,366,222	$ -	$ -	260,942	-	-	260,942	-	46,830
1860	Stranded Meters	$ 102,246	$ 102,731	$ 3,717	$ -	$ (4,201)	$ 619	$ -	-	-	-	-	-	-
1860	Non Stranded Meters-Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	27,758	-	-	27,758	-	-
1860	Non Stranded Meters-CT/PT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1860	Meters Inventory	$ 39,189	$ -	$ -	$ -	$ 39,189	$ -	$ -	(11,502)	-	-	(11,502)	-	-
1860	Smart Meters Inventory	$ 46,634	$ -	$ -	$ -	$ 46,634	$ -	$ -	(17,899)	-	-	(17,899)	-	-
1860	Non Stranded Meters-CT/PT Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ -	6,308	-	-	6,308	-	-
1905	Land	$ 49,000	$ -	$ -	$ -	$ 49,000	$ -	$ -	-	-	-	-	-	-
1908	Buildings & Fixtures-8 Henegan Rd	$ 678,370	$ -	$ -	$ -	$ 678,370	$ -	$ -	144,617	-	-	144,617	-	52,260
1908	Buildings & Fixtures-PCB Shed	$ 1,606	$ 1,606	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1915	Office Furniture & Equipment (10 years)	$ 43,264	$ 8,490	$ 2,693	$ -	$ 32,082	$ 243	$ -	13,207	-	-	13,207	-	6,078
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1920	Computer Equipment - Hardware	$ 38,222	$ 38,222	$ -	$ -	$ (0)	$ -	$ -	90,958	44,795	18,754	27,409	3,126	15,000
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1930	Transportation Equipment < 3 Tons	$ 11,707	$ 11,707	$ -	$ -	$ 0	$ -	$ -	98,643	-	53,681	44,963	5,368	-
1930	Transportation Equipment > 3 Tons	$ 623,113	$ 78,117	$ -	$ -	$ 544,996	$ -	$ -	-	-	-	-	-	364,295
1930	Transportation Equipment Trailers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	45,650	-	-	45,650	-	-
1935	Stores Equipment	$ 6,309	$ 810	$ 723	$ -	$ 4,775	$ 65	$ -	-	-	-	-	-	5,000
1940	Tools, Shop & Garage Equipment	$ 63,171	$ 42,961	$ 10,262	$ -	$ 9,948	$ 926	$ -	34,926	-	-	34,926	-	41,897
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1955	Communications Equipment	$ 15,938	$ 5,573	$ 6,531	$ -	$ 3,833	$ 589	$ -	-	-	-	-	-	-
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1980	System Supervisor Equipment	$ 110,749	$ 101,487	$ -	$ -	$ 9,261	$ -	$ -	342,099	-	-	342,099	-	120,000
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1990	Other Tangible Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
1995	Contributions & Grants-Poles	$ (169,565)	$ -	$ -	$ -	$ (169,565)	$ -	$ -	(6,683)	-	-	(6,683)	-	-
1995	Contributions & Grants-OH Conductor	$ (164,116)	$ -	$ -	$ -	$ (164,116)	$ -	$ -	-	-	-	-	-	-
1995	Contributions & Grants-O/H Services	$ (88,520)	$ -	$ -	$ -	$ (88,520)	$ -	$ -	(9,014)	-	-	(9,014)	-	-
1995	Contributions & Grants-UG Conduit	$ (578,117)	$ -	$ -	$ -	$ (578,117)	$ -	$ -	(97,678)	-	-	(97,678)	-	-
1995	Contributions & Grants-UG Conductor	$ (1,090,529)	$ -	$ -	$ -	$ (1,090,529)	$ -	$ -	(144,330)	-	-	(144,330)	-	-
1995	Contributions & Grants-UG Services	$ (1,031,865)	$ -	$ -	$ -	$ (1,031,865)	$ -	$ -	(171,231)	-	-	(171,231)	-	-
1995	Contributions & Grants-TX	$ (1,509,639)	$ -	$ -	$ -	$ (1,509,639)	$ -	$ -	(143,573)	-	-	(143,573)	-	-
1995	Contributions & Grants-Meters	$ (4,319)	$ -	$ -	$ -	$ (4,319)	$ -	$ -	-	-	-	-	-	-
1995	Contributions & Grants-Buildings	$ (9,620)	$ -	$ -	$ -	$ (9,620)	$ -	$ -	-	-	-	-	-	-
1995	Contributions & Grants-Rolling Stock	$ 0	$ -	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-
1606	Organization	$ 9,807	$ 9,807	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-
2440	Def Rev-Contributions & Grants-O/H Poles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(200,955)	-	-	(200,955)	-	(341,390)
2440	Def Rev-Contributions & Grants-O/H Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(93,496)	-	-	(93,496)	-	(277,728)
2440	Def Rev-Contributions & Grants-O/H Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(33,978)	-	-	(33,978)	-	(65,000)
2440	Def Rev-Contributions & Grants-U/G Conduit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(456,515)	-	-	(456,515)	-	(331,732)
2440	Def Rev-Contributions & Grants-U/G Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(662,785)	-	-	(662,785)	-	(254,859)
2440	Def Rev-Contributions & Grants-U/G Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(780,080)	-	-	(780,080)	-	(305,716)
2440	Def Rev-Contributions & Grants-Transformers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(935,013)	-	-	(935,013)	-	(216,750)
2440	Def Rev-Contributions & Grants-Meters	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(69,596)	-	-	(69,596)	-	(30,771)
2440	Def Rev-Contributions & Grants-Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
2440	Def rev-Contributions & Grants-Rolling Stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
2440	Def Rev-Contributions & Grants-Stations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(160,000)
2440	Def rev-Contributions & Grants-Battery	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-
	Total	**$ 21,566,951**	**$ 1,107,253**	**$ 26,111**	**$ -**	**$ 20,433,587**	**$ 2,806**	**$ -**	**9,090,857**	**279,066**	**181,253**	**8,630,538**	**26,630**	**2,717,335**

		Service Lives				Depreciation Expense						
Account	Description	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions (1/2 year rule)	Adjustments	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J 2018	Variance
		n	o = 1/n	p	q = 1/p	r = e/n + f + g	s = k/p +l	t = m/p x 0.5	u	v = r + s + t + u	w	x = w - v
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	-	0.00%	45.00	2.22%	$ -	$ 37,328	$ -	$ -	$ 37,328	$ 37,328	$ -
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	-	0.00%	55.00	1.82%	$ -	$ 16,105	$ -	$ -	$ 16,105	$ 16,105	$ (0)
1611	Computer Software (Formally known as Account 1925)	-	0.00%	3.00	33.33%	$ -	$ 97,939	$ 2,375	$ -	$ 100,314	$ 100,314	$ (0)
1925	CIS Upgrade	-	0.00%	3.00	33.33%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1612	Land Rights (Formally known as Account 1906)	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV York (TX)	35.52	2.82%	45.00	2.22%	$ 17,753	$ -	$ -	$ -	$ 17,753	$ 17,753	$ (0)
1815	Transformer Station Equipment >50 kV York Other	45.66	2.19%	55.00	1.82%	$ 32,109	$ 732	$ -	$ -	$ 32,842	$ 32,842	$ -
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	37.52	2.67%	45.00	2.22%	$ 14,511	$ -	$ -	$ -	$ 14,511	$ 14,511	$ (0)
1815	Transformer Station Equipment >50 kV Conc 5 Other	48.16	2.08%	55.00	1.82%	$ 34,567	$ 1,144	$ 1,500	$ -	$ 37,211	$ 37,211	$ -
1820	Distribution Station Equipment <50 kV	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1825	Storage Battery Equipment	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	30.15	0.03	45.00	2.22%	$ 69,005	$ 27,103	$ 11,472	$ -	$ 107,580	$ 107,580	$ -
1835	Overhead Conductors & Devices	45.13	0.02	60.00	1.67%	$ 61,404	$ 16,335	$ 5,602	$ -	$ 83,341	$ 83,341	$ -
1840	Underground Conduit	53.26	0.02	65.00	1.54%	$ 50,790	$ 17,417	$ 3,231	$ -	$ 71,438	$ 71,438	$ (0)
1845	Underground Conductors & Devices	29.89	3.35%	45.00	2.22%	$ 139,442	$ 43,000	$ 6,054	$ -	$ 188,496	$ 188,496	$ -
1850	Line Transformers	33.00	3.03%	45.00	2.22%	$ 106,754	$ 40,112	$ 2,813	$ -	$ 149,680	$ 149,680	$ -
1850	Line Transformers-Inventory	34.67	2.88%	45.00	2.22%	$ 2,786	$ (173)	$ -	$ -	$ 2,613	$ 2,613	$ 0
1850	Line Transformers-Damaged	30.34	3.30%	45.00	2.22%	$ 297	$ -	$ -	$ -	$ 297	$ 297	$ -
1850	Line Transformers-Spare	41.12	2.43%	45.00	2.22%	$ 1,786	$ 1,574	$ -	$ -	$ 3,360	$ 3,360	$ 0
1855	Services (Overhead)	55.08	1.82%	60.00	1.67%	$ 8,044	$ 1,244	$ 708	$ -	$ 9,996	$ 9,996	$ 0
1855	Services (Underground)	38.61	2.59%	45.00	2.22%	$ 43,484	$ 29,292	$ 9,088	$ -	$ 81,864	$ 81,864	$ 0
1860	Meters	22.92	4.36%	25.00	4.00%	$ 8,514	$ 3,245	$ 899	$ -	$ 12,659	$ 12,659	$ -
1860	Meters (Smart Meters)	12.54	7.98%	15.00	6.67%	$ 108,965	$ 17,396	$ 1,561	$ -	$ 127,922	$ 127,922	$ -
1860	Stranded Meters	6.78	14.74%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Non Stranded Meters-Other	-	0.00%	25.00	4.00%	$ -	$ 1,110	$ -	$ -	$ 1,110	$ 1,110	$ -
1860	Non Stranded Meters-CT/PT	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Meters Inventory	17.49	5.72%	25.00	4.00%	$ 2,241	$ (460)	$ -	$ -	$ 1,781	$ 1,781	$ 0
1860	Smart Meters Inventory	14.01	7.14%	15.00	6.67%	$ 3,330	$ (1,193)	$ -	$ -	$ 2,136	$ 2,136	$ -
1860	Non Stranded Meters-CT/PT Inventory	-	0.00%	40.00	2.50%	$ -	$ 158	$ -	$ -	$ 158	$ 158	$ 0
1905	Land	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures-8 Henegan Rd	39.33	2.54%	60.00	1.67%	$ 17,249	$ 2,410	$ 436	$ -	$ 20,094	$ 20,094	$ 0
1908	Buildings & Fixtures-PCB Shed	-	0.00%	30.00	3.33%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	7.83	12.78%	10.00	10.00%	$ 4,342	$ 1,321	$ 304	$ -	$ 5,966	$ 5,966	$ (0)
1915	Office Furniture & Equipment (5 years)	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	-	0.00%	3.00	33.33%	$ -	$ 12,262	$ 2,500	$ -	$ 14,762	$ 14,762	$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment < 3 Tons	-	0.00%	5.00	20.00%	$ -	$ 14,361	$ -	$ -	$ 14,361	$ 14,361	$ 0
1930	Transportation Equipment > 3 Tons	8.81	11.36%	10.00	10.00%	$ 61,893	$ -	$ 18,215	$ -	$ 80,108	$ 80,108	$ 0
1930	Transportation Equipment Trailers	-	0.00%	15.00	6.67%	$ -	$ 3,043	$ -	$ -	$ 3,043	$ 3,043	$ (0)
1935	Stores Equipment	6.52	15.35%	10.00	10.00%	$ 798	$ -	$ 250	$ -	$ 1,048	$ 1,048	$ 0
1940	Tools, Shop & Garage Equipment	6.89	14.52%	8.00	12.50%	$ 2,370	$ 4,366	$ 2,619	$ -	$ 9,354	$ 9,354	$ 0
1945	Measurement & Testing Equipment	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	6.68	14.98%	10.00	10.00%	$ 1,163	$ -	$ -	$ -	$ 1,163	$ 1,163	$ 0
1955	Communication Equipment (Smart Meters)	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	8.39	11.92%	10.00	10.00%	$ 1,104	$ 34,210	$ 6,000	$ (5,568)	$ 35,746	$ 35,821	$ 75
1985	Miscellaneous Fixed Assets	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants-Poles	38.55	2.59%	45.00	2.22%	$ (4,399)	$ (149)	$ -	$ -	$ (4,548)	$ (4,548)	$ (0)
1995	Contributions & Grants-OH Conductor	52.82	1.89%	60.00	1.67%	$ (3,107)	$ -		$ -	$ (3,107)	$ (3,107)	$ 0
1995	Contributions & Grants-O/H Services	51.24	1.95%	65.00	1.54%	$ (1,728)	$ (139)	$ -	$ -	$ (1,866)	$ (1,878)	$ (12)
1995	Contributions & Grants-UG Conduit	59.13	1.69%	65.00	1.54%	$ (9,777)	$ (1,503)	$ -	$ -	$ (11,280)	$ (11,280)	$ (0)
1995	Contributions & Grants-UG Conductor	37.00	2.70%	45.00	2.22%	$ (29,473)	$ (3,207)	$ -	$ -	$ (32,681)	$ (32,681)	$ 0
1995	Contributions & Grants-UG Services	38.47	2.60%	45.00	2.22%	$ (26,819)	$ (3,805)		$ -	$ (30,625)	$ (30,625)	$ 0
1995	Contributions & Grants-TX	38.06	2.63%	45.00	2.22%	$ (39,669)	$ (3,191)	$ -	$ -	$ (42,859)	$ (42,859)	$ (0)
1995	Contributions & Grants-Meters	14.70	6.80%	25.00	4.00%	$ (294)	$ -	$ -	$ -	$ (294)	$ (294)	$ (0)
1995	Contributions & Grants-Buildings	47.00	2.13%	60.00	1.67%	$ (205)	$ -	$ -	$ -	$ (205)	$ (205)	$ (0)
1995	Contributions & Grants-Rolling Stock	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1606	Organization	20.00	5.00%	-	0.00%	$ (0)	$ -	$ -	$ -	$ (0)	$ -	$ 0
2440	Def Rev-Contributions & Grants-O/H Poles	-	0.00%	45.00	2.22%	$ -	$ (4,466)	$ (3,793)	$ -	$ (8,259)	$ (8,259)	$ -
2440	Def Rev-Contributions & Grants-O/H Conductor	-	0.00%	60.00	1.67%	$ -	$ (1,558)	$ (2,314)	$ -	$ (3,873)	$ (3,873)	$ 0
2440	Def Rev-Contributions & Grants-O/H Services	-	0.00%	60.00	1.67%	$ -	$ (566)	$ (542)	$ -	$ (1,108)	$ (1,108)	$ 0
2440	Def Rev-Contributions & Grants-U/G Conduit	-	0.00%	65.00	1.54%	$ -	$ (7,023)	$ (2,552)	$ -	$ (9,575)	$ (9,575)	$ -
2440	Def Rev-Contributions & Grants-U/G Conductor	-	0.00%	45.00	2.22%	$ -	$ (14,729)	$ (2,832)	$ -	$ (17,560)	$ (17,560)	$ 0
2440	Def Rev-Contributions & Grants-U/G Services	-	0.00%	45.00	2.22%	$ -	$ (17,335)	$ (3,397)	$ -	$ (20,732)	$ (20,732)	$ -
2440	Def Rev-Contributions & Grants-Transformers	-	0.00%	45.00	2.22%	$ -	$ (20,778)	$ (2,408)	$ -	$ (23,186)	$ (23,186)	$ (0)
2440	Def Rev-Contributions & Grants-Meters	-	0.00%	25.00	4.00%	$ -	$ (2,784)	$ (615)	$ -	$ (3,399)	$ (3,399)	$ 0
2440	Def Rev-Contributions & Grants-Admin	-	0.00%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Rolling Stock	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def Rev-Contributions & Grants-Stations	-	0.00%	45.00	2.22%	$ -	$ -	$ (1,778)	$ -	$ (1,778)	$ (1,778)	$ -
2440	Def rev-Contributions & Grants-Battery	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total					**$ 679,228**	**$ 340,149**	**$ 55,395**	**-$ 5,568**	**$ 1,069,204**	**$ 1,069,267**	**$ 63**

2,717,335.31	1,069,267.34
-	-

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Rebasing for the first time with depreciation policy changes made in 2013.	This appendix must be duplicated and completed for the years 2013 to 2018. The appendix for 2013 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2013 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).		
Already rebased with depreciation policy changes in a prior rate application	This appendix must be completed for 2014 to 2018. The appendix for 2014 is to be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MIFRS (2014 if changes to MIFRS are material).	2019	MIFR

		Book Values													Service Lives				Depreciation Expense						
Account	Description	Opening NBV of Assets at Date of Policy Change- Jan. 1, 2013	Less Fully Depreciated / Disposals Previous Years	Fully Depreciated Current Year (NBV)	Less Disposals (NBV)	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [c]	Depreciation Expense on Disposals Current Year	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated Previous Years	Less Fully Depreciated Current Year	Net for Depreciation	Depreciation Expense on Fully Depreciated Current Year [i]	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions (1/2 year rule)	Adjustments	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J 2019	Variance
		a	b	c	d	e = a - b - c - d	f	g	h	i	j	k = h - i - j	l	m	n	o = 1/n	p	q = 1/p	r = e/n + f + g	s = k/p +l	t = m/p x 0.5	u	v = r + s + t + u	w	x = w - v
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 -TX	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1,679,763	-	-	1,679,763	-	-	-	0.00%	45.00	2.22%	$ -	$ 37,328	$ -	$ -	$ 37,328	$ 37,328	$ -
1508	ICM-Transformer Station Equipment >50 kV-Conc #5 OTHER	$ -	$ -	$ -	$ -	$ -	$ -	$ -	885,765	-	-	885,765	-	-	-	0.00%	55.00	1.82%	$ -	$ 16,105	$ -	$ -	$ 16,105	$ 16,105	$ (0)
1611	Computer Software (Formally known as Account 1925)	$ 165,566	$ 165,566	$ -	$ -	$ (0)	$ -	$ -	596,746	343,088	110,456	143,201	18,409	5,150	-	0.00%	3.00	33.33%	$ -	$ 66,143	$ 858	$ -	$ 67,001	$ 67,001	$ (0)
1925	CIS Upgrade	$ 119,000	$ 119,000	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-	-	0.00%	3.00	33.33%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 258,134	$ -	$ -	$ -	$ 258,134	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV York (TX)	$ 630,588	$ -	$ -	$ -	$ 630,588	$ -	$ -	-	-	-	-	-	1,655,000	35.52	2.82%	45.00	2.22%	$ 17,753	$ -	$ 18,389	$ -	$ 36,142	$ 36,142	$ (0)
1815	Transformer Station Equipment >50 kV York Other	$ 1,466,075	$ -	$ -	$ -	$ 1,466,075	$ -	$ -	40,286	-	-	40,286	-	1,655,000	45.66	2.19%	55.00	1.82%	$ 32,109	$ 732	$ 15,045	$ -	$ 47,887	$ 47,887	$ -
1815	Transformer Station Equipment >50 kV Conc 5 (TX)	$ 544,453	$ -	$ -	$ -	$ 544,453	$ -	$ -	-	-	-	-	-	-	37.52	2.67%	45.00	2.22%	$ 14,511	$ -	$ -	$ -	$ 14,511	$ 14,511	$ (0)
1815	Transformer Station Equipment >50 kV Conc 5 Other	$ 1,664,608	$ -	$ -	$ -	$ 1,664,608	$ -	$ -	227,902	-	-	227,902	-	-	48.16	2.08%	55.00	1.82%	$ 34,567	$ 4,144	$ -	$ -	$ 38,711	$ 38,711	$ -
1820	Distribution Station Equipment <50 kV	$ 47,927	$ 47,927	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	442,340	-	0.00%	10.00	10.00%	$ -	$ -	$ 22,117	$ -	$ 22,117	$ 22,117	$ -
1830	Poles, Towers & Fixtures	$ 2,130,517	$ 49,803	$ 52,483	$ -	$ 2,028,232	$ 7,495	$ -	2,252,120	-	-	2,252,120	-	344,250	32.97	0.03	45.00	2.22%	$ 69,005	$ 50,047	$ 3,825	$ -	$ 122,877	$ 122,877	$ -
1835	Overhead Conductors & Devices	$ 2,838,661	$ 67,626	$ -	$ -	$ 2,771,035	$ -	$ -	1,652,361	-	-	1,652,361	-	280,550	45.13	0.02	60.00	1.67%	$ 61,404	$ 27,539	$ 2,338	$ -	$ 91,281	$ 91,281	$ 0
1840	Underground Conduit	$ 2,705,310	$ -	$ -	$ -	$ 2,705,310	$ -	$ -	1,552,126	-	-	1,552,126	-	176,800	53.26	0.02	65.00	1.54%	$ 50,790	$ 23,879	$ 1,360	$ -	$ 76,029	$ 76,029	$ 0
1845	Underground Conductors & Devices	$ 4,168,057	$ -	$ -	$ -	$ 4,168,057	$ -	$ -	2,479,857	-	-	2,479,857	-	181,950	29.89	3.35%	45.00	2.22%	$ 139,442	$ 55,108	$ 2,022	$ -	$ 196,571	$ 196,571	$ -
1850	Line Transformers	$ 3,765,974	$ 243,162	$ -	$ -	$ 3,522,812	$ -	$ -	2,058,266	-	-	2,058,266	-	365,800	33.00	3.03%	45.00	2.22%	$ 106,754	$ 45,739	$ 4,064	$ -	$ 156,557	$ 156,557	$ -
1850	Line Transformers-Inventory	$ 96,563	$ -	$ -	$ -	$ 96,563	$ -	$ -	(7,767)	-	-	(7,767)	-	-	34.67	2.88%	45.00	2.22%	$ 2,786	$ (173)	$ -	$ -	$ 2,613	$ 2,613	$ 0
1850	Line Transformers-Damaged	$ 9,005	$ -	$ -	$ -	$ 9,005	$ -	$ -	-	-	-	-	-	-	30.34	3.30%	45.00	2.22%	$ 297	$ -	$ -	$ -	$ 297	$ 297	$ -
1850	Line Transformers-Spare	$ 73,441	$ -	$ -	$ -	$ 73,441	$ -	$ -	70,843	-	-	70,843	-	-	41.12	2.43%	45.00	2.22%	$ 1,786	$ 1,574	$ -	$ -	$ 3,360	$ 3,360	$ 0
1855	Services (Overhead)	$ 443,107	$ -	$ -	$ -	$ 443,107	$ -	$ -	159,614	-	-	159,614	-	40,750	55.08	1.82%	60.00	1.67%	$ 8,044	$ 2,660	$ 340	$ -	$ 11,044	$ 11,044	$ 0
1855	Services (Underground)	$ 1,679,060	$ -	$ -	$ -	$ 1,679,060	$ -	$ -	2,136,026	-	-	2,136,026	-	466,950	38.61	2.59%	45.00	2.22%	$ 43,484	$ 47,467	$ 5,188	$ -	$ 96,140	$ 96,140	$ (0)
1860	Meters	$ 197,059	$ 10,251	$ 123	$ -	$ 186,685	$ 18	$ -	126,087	-	-	126,087	-	50,300	24.54	4.07%	25.00	4.00%	$ 7,624	$ 5,043	$ 1,006	$ -	$ 13,674	$ 13,674	$ -
1860	Meters (Smart Meters)	$ 1,370,813	$ 4,592	$ -	$ -	$ 1,366,222	$ -	$ -	307,772	-	-	307,772	-	25,150	12.54	7.98%	15.00	6.67%	$ 108,965	$ 20,518	$ 838	$ -	$ 130,322	$ 130,322	$ -
1860	Stranded Meters	$ 102,246	$ 106,447	$ 209	$ -	$ (4,410)	$ 30	$ -	-	-	-	-	-	-	147.88	0.68%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Non Stranded Meters-Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	27,758	-	-	27,758	-	-	-	0.00%	25.00	4.00%	$ -	$ 1,110	$ -	$ -	$ 1,110	$ 1,110	$ -
1860	Non Stranded Meters-CT/PT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	40.00	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1860	Meters Inventory	$ 39,189	$ -	$ -	$ -	$ 39,189	$ -	$ -	(11,502)	-	-	(11,502)	-	-	17.49	5.72%	25.00	4.00%	$ 2,241	$ (460)	$ -	$ -	$ 1,781	$ 1,781	$ 0
1860	Smart Meters Inventory	$ 46,634	$ -	$ -	$ -	$ 46,634	$ -	$ -	(17,899)	-	-	(17,899)	-	-	14.01	7.14%	15.00	6.67%	$ 3,330	$ (1,193)	$ -	$ -	$ 2,136	$ 2,136	$ -
1860	Non Stranded Meters-CT/PT Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ -	6,308	-	-	6,308	-	-	-	0.00%	40.00	2.50%	$ -	$ 158	$ -	$ -	$ 158	$ 158	$ 0
1905	Land	$ 49,000	$ -	$ -	$ -	$ 49,000	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures-8 Henegan Rd	$ 678,370	$ -	$ -	$ -	$ 678,370	$ -	$ -	196,878	-	-	196,878	-	23,150	39.33	2.54%	60.00	1.67%	$ 17,249	$ 3,281	$ 193	$ -	$ 20,723	$ 20,723	$ (0)
1908	Buildings & Fixtures-PCB Shed	$ 1,606	$ 1,606	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	-	0.00%	30.00	3.33%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 43,264	$ 11,183	$ 1,182	$ -	$ 30,900	$ 90	$ -	19,285	-	-	19,285	-	5,000	7.89	12.68%	10.00	10.00%	$ 4,007	$ 1,928	$ 250	$ -	$ 6,186	$ 6,186	$ (0)
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 38,222	$ 38,222	$ -	$ -	$ (0)	$ -	$ -	105,958	63,549	9,825	32,584	1,638	15,450	-	0.00%	3.00	33.33%	$ -	$ 12,499	$ 2,575	$ -	$ 15,074	$ 15,074	$ (0)
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment < 3 Tons	$ 11,707	$ 11,707	$ -	$ -	$ 0	$ -	$ -	98,643	53,681	-	44,963	-	30,000	-	0.00%	5.00	20.00%	$ -	$ 8,993	$ 3,000	$ -	$ 11,993	$ 11,993	$ (0)
1930	Transportation Equipment > 3 Tons	$ 623,113	$ 78,117	$ 6,125	$ -	$ 538,871	$ 467	$ -	364,295	-	-	364,295	-	-	8.84	11.31%	10.00	10.00%	$ 61,418	$ 36,429	$ -	$ -	$ 97,848	$ 97,848	$ 0
1930	Transportation Equipment Trailers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	45,650	-	-	45,650	-	-	-	0.00%	15.00	6.67%	$ -	$ 3,043	$ -	$ -	$ 3,043	$ 3,043	$ (0)
1935	Stores Equipment	$ 6,309	$ 1,534	$ 4,733	$ -	$ 42	$ 361	$ -	5,000	-	-	5,000	-	-	9.42	10.62%	10.00	10.00%	$ 366	$ 500	$ -	$ -	$ 866	$ 866	$ 0
1940	Tools, Shop & Garage Equipment	$ 63,171	$ 53,224	$ 6,845	$ -	$ 3,102	$ 652	$ -	76,823	-	-	76,823	-	5,000	7.53	13.29%	8.00	12.50%	$ 1,064	$ 9,603	$ 313	$ -	$ 10,979	$ 10,979	$ 0
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 15,938	$ 12,105	$ 3,066	$ -	$ 767	$ 234	$ -	-	-	-	-	-	-	7.50	13.33%	10.00	10.00%	$ 336	$ -	$ -	$ -	$ 336	$ 336	$ 0
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 110,749	$ 101,487	$ 382	$ -	$ 8,879	$ 29	$ -	462,099	-	-	462,099	-	80,000	8.49	11.78%	10.00	10.00%	$ 1,075	$ 46,210	$ 4,000	$ (5,568)	$ 45,716	$ 45,791	$ 75
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants-Poles	$ (169,565)	$ -	$ -	$ -	$ (169,565)	$ -	$ -	(6,683)	-	-	(6,683)	-	-	38.55	2.59%	45.00	2.22%	$ (4,399)	$ (149)	$ -	$ -	$ (4,548)	$ (4,548)	$ (0)
1995	Contributions & Grants-OH Conductor	$ (164,116)	$ -	$ -	$ -	$ (164,116)	$ -	$ -	-	-	-	-	-	-	52.82	1.89%	60.00	1.67%	$ (3,107)	$ -		$ -	$ (3,107)	$ (3,107)	$ 0
1995	Contributions & Grants-O/H Services	$ (88,520)	$ -	$ -	$ -	$ (88,520)	$ -	$ -	(9,014)	-	-	(9,014)	-	-	51.24	1.95%	65.00	1.54%	$ (1,728)	$ (139)	$ -	$ -	$ (1,866)	$ (1,878)	$ (12)
1995	Contributions & Grants-UG Conduit	$ (578,117)	$ -	$ -	$ -	$ (578,117)	$ -	$ -	(97,678)	-	-	(97,678)	-	-	59.13	1.69%	65.00	1.54%	$ (9,777)	$ (1,503)	$ -	$ -	$ (11,280)	$ (11,280)	$ (0)
1995	Contributions & Grants-UG Conductor	$ (1,090,529)	$ -	$ -	$ -	$ (1,090,529)	$ -	$ -	(144,330)	-	-	(144,330)	-	-	37.00	2.70%	45.00	2.22%	$ (29,473)	$ (3,207)	$ -	$ -	$ (32,681)	$ (32,681)	$ 0
1995	Contributions & Grants-UG Services	$ (1,031,865)	$ -	$ -	$ -	$ (1,031,865)	$ -	$ -	(171,231)	-	-	(171,231)	-	-	38.47	2.60%	45.00	2.22%	$ (26,819)	$ (3,805)		$ -	$ (30,625)	$ (30,625)	$ 0
1995	Contributions & Grants-TX	$ (1,509,639)	$ -	$ -	$ -	$ (1,509,639)	$ -	$ -	(143,573)	-	-	(143,573)	-	-	38.06	2.63%	45.00	2.22%	$ (39,669)	$ (3,191)	$ -	$ -	$ (42,859)	$ (42,859)	$ (0)
1995	Contributions & Grants-Meters	$ (4,319)	$ -	$ -	$ -	$ (4,319)	$ -	$ -	-	-	-	-	-	-	14.70	6.80%	25.00	4.00%	$ (294)	$ -	$ -	$ -	$ (294)	$ (294)	$ (0)
1995	Contributions & Grants-Buildings	$ (9,620)	$ -	$ -	$ -	$ (9,620)	$ -	$ -	-	-	-	-	-	-	47.00	2.13%	60.00	1.67%	$ (205)	$ -	$ -	$ -	$ (205)	$ (205)	$ (0)
1995	Contributions & Grants-Rolling Stock	$ 0	$ -	$ -	$ -	$ 0	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1606	Organization	$ 9,807	$ 9,807	$ -	$ -	$ (0)	$ -	$ -	-	-	-	-	-	-	20.00	5.00%	-	0.00%	$ (0)	$ -	$ -	$ -	$ (0)	$ -	$ 0
2440	Def Rev-Contributions & Grants-O/H Poles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(542,345)	-	-	(542,345)	-	(25,750)	-	0.00%	45.00	2.22%	$ -	$ (12,052)	$ (286)	$ -	$ (12,338)	$ (12,338)	$ -
2440	Def Rev-Contributions & Grants-O/H Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(371,224)	-	-	(371,224)	-	(25,750)	-	0.00%	60.00	1.67%	$ -	$ (6,187)	$ (215)	$ -	$ (6,402)	$ (6,402)	$ -
2440	Def Rev-Contributions & Grants-O/H Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(98,978)	-	-	(98,978)	-	(30,750)	-	0.00%	60.00	1.67%	$ -	$ (1,650)	$ (256)	$ -	$ (1,906)	$ (1,906)	$ 0
2440	Def Rev-Contributions & Grants-U/G Conduit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(788,247)	-	-	(788,247)	-	(61,800)	-	0.00%	65.00	1.54%	$ -	$ (12,127)	$ (475)	$ -	$ (12,602)	$ (12,602)	$ 0
2440	Def Rev-Contributions & Grants-U/G Conductor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(917,644)	-	-	(917,644)	-	(66,950)	-	0.00%	45.00	2.22%	$ -	$ (20,392)	$ (744)	$ -	$ (21,136)	$ (21,136)	$ 0
2440	Def Rev-Contributions & Grants-U/G Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(1,085,796)	-	-	(1,085,796)	-	(344,450)	-	0.00%	45.00	2.22%	$ -	$ (24,129)	$ (3,827)	$ -	$ (27,956)	$ (27,956)	$ 0
2440	Def Rev-Contributions & Grants-Transformers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(1,151,763)	-	-	(1,151,763)	-	(72,100)	-	0.00%	45.00	2.22%	$ -	$ (25,595)	$ (801)	$ -	$ (26,396)	$ (26,396)	$ (0)
2440	Def Rev-Contributions & Grants-Meters	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(100,366)	-	-	(100,366)	-	(15,450)	-	0.00%	25.00	4.00%	$ -	$ (4,015)	$ (309)	$ -	$ (4,324)	$ (4,324)	$ 0
2440	Def Rev-Contributions & Grants-Admin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def rev-Contributions & Grants-Rolling Stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	-	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2440	Def Rev-Contributions & Grants-Stations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(160,000)	-	-	(160,000)	-	-	-	0.00%	45.00	2.22%	$ -	$ (3,556)	$ -	$ -	$ (3,556)	$ (3,556)	$ -
2440	Def rev-Contributions & Grants-Battery	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-	(144,136)	-	0.00%	10.00	10.00%	$ -	$ -	$ (7,207)	$ -	$ (7,207)	$ (7,207)	$ -
	Total	$ 21,566,951	$ 1,133,364	$ 75,148	$ -	$ 20,358,438	$ 9,376	$ -	11,808,192	460,318	120,282	11,227,592	20,047	5,061,454					$ 674,934	$ 404,262	$ 73,601	-$ 5,568	$ 1,147,229	$ 1,147,293	$ 63

5,061,454.00
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1,147,292.52
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