



EB-2018-0028
Response to Interrogatories

School Energy Coalition
(SEC)

September 14, 2018

Energy+ Inc.
Response to Interrogatories
School Energy Coalition (SEC)

Table of Contents

1-SEC-1	5
1-SEC-2	6
1-SEC-3	11
1-SEC-4	13
1-SEC-5	23
1-SEC-6	29
1-SEC-7	30
1-SEC-8	31
1-SEC-9	32
1-SEC-10	34
1-SEC-11	35
1-SEC-12	36
1-SEC-13	43
2-SEC-14	46
2-SEC-15	84
2-SEC-16	85
2-SEC-17	86
2-SEC-18	87
2-SEC-19	88
2-SEC-20	91

2-SEC-21	92
2-SEC-22	95
2-SEC-23	110
2-SEC-24	115
2-SEC-25	116
2-SEC-26	122
2-SEC-27	124
3-SEC-28	128
3-SEC-29	129
3-SEC-30	132
4-SEC-31	133
4-SEC-32	134
4-SEC-33	135
4-SEC-34	136
4-SEC-35	142
4-SEC-36	143
5-SEC-37	145
5-SEC-38	146
7-SEC-39	147
7-SEC-40	150
7-SEC-41	154
9-SEC-42	155
9-SEC-43	156

Appendix 1-SEC-1 (i)

Appendix 1-SEC-1 (ii)

Appendix 1-SEC-1 (iii).....

Appendix 1-SEC-1 (iv)

Appendix 1-SEC-1 (v)

Appendix 1-SEC-6 (i)

Appendix 1-SEC-6 (ii)

Appendix 1-SEC-6 (iii).....

Appendix 1-SEC-6 (iv)

Appendix 1-SEC-6 (v)

Appendix 1-SEC-6 (vi)

Appendix 1-SEC-6 (vii).....

Appendix 1-SEC-6 (viii).....

1-SEC-1

INTERROGATORY

Ref: Ex. 1, 20

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

RESPONSE

Copies of benchmarking studies, reports, and analysis are attached in the following Appendices:

Appendix 1-SEC-1(i): Reliability Statistics - 2017

Appendix 1-SEC-1(ii): 2015 Board Compensation Survey

Appendix 1-SEC-1(iii): 2015 MEARIE Management Compensation Survey

Appendix 1-SEC-1(iv): 2016 MEARIE Management Compensation Survey

Appendix 1-SEC-1(v): 2017 Board Compensation Survey

Appendix 1-SEC-1(vi): 2017 MEARIE Management Compensation Survey

1-SEC-2

INTERROGATORY

Ref: Ex. 1

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

RESPONSE

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

1. **Improved Communications about Outages:** The launch of a 24/7 dedicated toll-free outage line provides customers with timely access to speak to informed live representatives with utility experience, to report an outage and/or obtain outage updates. Experience indicates customer awareness will be key to customer's embracing this new toll-free line. Awareness campaigns will be launched by Communications.
2. **Improved Responsiveness for Outage Restoration:** System Control Room's transition to 24/7 "around the clock" service, will provide customers with live monitoring of system infrastructure for improved timeliness of outage recognition and restoration procedures.
3. **Improved Online Customer Experience:** The Ccorporate website will be updated to reflect customer stated preferences, including a fully mobile responsive website, improved layout and navigation that delivers customer preferred information quickly and efficiently on the home page. Live Chat will also be launched in 2019 to provide the online customer with another communication tool to chat with live Energy+ representatives.
4. **Enhanced Customer Engagement:** As an active member of the GridSmartCity Co-operative, Energy+ will collaborate on effective ongoing customer engagement activities. A new Customer Engagement Committee has been struck to focus on effective and

efficient customer engagement tactics and activities that can be undertaken by 13 utility members, leveraging best practices aligned to support Cost of Service Rate Applications.

5. **Capital Rebuilds:** Energy+ has multiple rebuild projects scheduled for 2019 (refer to Appendix 2-1 Distribution System Plan for details) that are aligned with customer's stated expectations to maintain reliability and keep costs reasonable.
6. **Enhanced Privacy and Cyber Security Measures:** Internal committee led by VP, ITS is working to ensure customer data privacy and cyber security measures are aligned to the OEB Cyber Security Framework, for safeguard of customer data and to ensure reliability of services delivered to customers. Energy+ is a member of the Cyber Security Advisory Committee (CSAC), which will work to evolve the OEB Cyber Security Framework into the future, thus providing Energy+ a deeper understanding of upcoming cyber issues and trends and how it can work to keep our customers' data private and our infrastructure secure.
7. **New Key Account Manager** – Dedicated to industrial, commercial customers over 1 MW to deliver improved communication, engagement and drive solutions for the customers and the utility. This new role will focus on working closely with large industrial customers to understand the large-use customer's unique challenges and help find energy saving solutions and tools to improve their energy efficiency and ultimately the bottom line. The Key Account Manager will be the "go to" person representing Energy+, facilitating resolutions for customers, across all departments. This position is funded through Energy+'s Conservation First Framework budget.
8. **Enhanced Data Analytics for Improved Customer Satisfaction**– A pilot will be designed and launched to introduce and invite a group of industrial, customers who require access to detailed data analytics, to assist with managing and monitoring their energy usage looking for increased efficiencies.

9. **Private Property Tree Trimming Program** – To reduce outages, a pilot will focus on trees and limbs that are located on customer owned trees that impact reliability of the Energy+ network. Increased reliability and resulting increases in customer satisfaction.
10. **Promotion of Paperless Billing** - To reduce costs and increase customer satisfaction, with timely receipt of customer's bill. Energy+ will continue to promote and encourage paperless billing, which will result in reduced billing and delivery costs. The added benefit for customers is the enhanced data available with the online tool.
11. **Promotion of My Account Online** – To increase customer awareness/literacy of energy consumption and help improve customer satisfaction. Promotion of the online tool available on the Energy+ website will continue to provide residential and small commercial customers with the ability to view hourly electricity usage, to help monitor and manage energy conservation. An added benefit for customers is the access to the online library in My Account that provides energy saving tips and information.
12. **Rate Harmonization** – To align customer rates across the service territory. Should reduce customer confusion and reinforce the amalgamation of a single utility that delivers consistent services to all customers in its service territory. Reduced time and costs maintaining separate rate schedules and regulatory filings.
13. **Facility Inspection and Line Patrols** – Automate facility inspection and line patrol data documentation and equipment condition results through the introduction of a tablet based software solution. This will provide the opportunity to review and analyze field data in order to enhance maintenance programs, set priorities and replace aging equipment prior to failure. This will allow crews to be more efficiently deployed to specific areas for maintenance purposes.
14. **Aerial photography for Geographical Information System (GIS) and Outage Management System (OMS)**. Introduction of aerial photography, as added layer for GIS and Outage Management System, which will help deliver a new layer of intelligence about infrastructure and geography in the field, without making a field trip.

15. **MIST Meter Installation Program** – General service customers >50kW will all have MIST Meters installed, giving the customers access to an online commercial portal to view their interval data, as well as run various reports for data analytics and evaluation. In addition to improved customer satisfaction, Energy+ will no longer be required to obtain meter reads manually.
16. **AMI Licencing Pilot** – Energy+ will work with the City of Cambridge on a pilot to share existing Energy+ AMI network and collectors to enable City of Cambridge to pilot remote water reads. A small pilot (fewer than 3,000 customers) will help evaluate feasibility of shared infrastructure, for future consideration and financial efficiencies.
17. **My Account Online - Customer Connect Upgrade** – Evaluate Customer Connect opportunities and options for a more customer friendly and seamless sign up process to improve paperless billing uptake, AODA accessibility.
18. **Succession Planning** – Energy+ anticipates retirements at the senior management level over the next 2 – 5 years. As a result, a comprehensive succession plan will be developed to ensure efficient transfer of knowledge for continued customer service excellence, satisfaction and financial efficiencies. The plan will be reviewed and approved by Energy+'s Board of Directors.
19. **Collaboration** – Energy+ will continue to actively collaborate and participate as a member of the GridSmart City Co-operative. Team members participate and provide input on the committees seeking improved efficiencies and synergies. Energy+ will continue to actively participate and provide feedback to the Electricity Distributor's Association with the goal to improve processes and efficiencies for the benefit of the electricity customer. Energy+ will act as the voice of the customer, championing initiatives that reduce costs and duplications. For example, a review of the functionality of the MDM/R versus utility operated Operational Data Store (ODS). The raw consumption and operational data provided by the Smart Meters is validated prior to billing customers. Validation, Editing and Estimation (VEE) is done in parallel through the ODS and the MDM/R.

20. **Asset Management** – Energy+ will continue to develop and implement the Health Index for its distribution assets, perform risk assessments and develop the longer-term strategy for each asset type, identify gaps and set priorities to improve rebuild decision making and optimization of capital.
21. **Staff Training** – Leverage online HR Download software to deliver staff training and continue to look for opportunities to train the team using “train the trainer” methodology, in order to keep costs down while achieving the goal of a trained team.

Please refer to Exhibit 1, Table 1-10A: Performance Measures for Continuous Improvement on page 141 of 1145 which identifies outcomes in terms of specific metrics.

1-SEC-3

INTERROGATORY

Ref: Ex. 1, p.34

Please provide a step-by-step explanation of the Applicant's budgeting process.

RESPONSE

Energy+'s budgeting process initiates with the development of Department Business Plans. The purpose of a Department Business Plan is to identify the goals, objectives, and execution plan for each department. The plan includes justification of necessary capital expenditures, operating costs and headcount. In addition, the Department Business Plans ensure departmental alignment to the strategic plan, corporate objectives and regulatory changes. The Department Business Plans are presented and reviewed by the Leadership Team as part of the budget process.

Prior to the distribution of the 2018-2019 Budget Templates, the Chief Financial Officer, in consultation with the President & CEO, provide budget parameters to guide the development of the budget. The parameters set expectations on future spending levels for operating and capital programs, inflation assumptions, overhead rates and other assumptions to be used in the preparation of the budget.

With the budget parameters established, the Finance department distributes operating and capital budget templates to the department Supervisors / Managers / Leadership Team. The templates are used to capture the labour, vehicle, equipment, material and third party costs necessary to execute the department's plan. The first year of the plan is prepared using a zero-based approach, with justification required for each item. The zero-based approach also applies to the first and second year of the plan for budgets that support a Cost of Service Rate Application. Any assumptions made during budget preparation must be explained within the templates. The outer years of the plan are developed by applying assumed inflation rates on year one figures and adjusting for new initiatives and productivity. Significant plan over plan, and plan over prior year actual variances must be explained within the templates. Templates for revenue, depreciation, derecognition losses, interest and taxes are completed by the Finance department.

Upon completion, the templates are submitted to Finance and reviewed for completeness and reasonableness. Any questions or inquiries are resolved by the applicable Supervisor / Manager / Leadership Team member. After resolution is reached, the budget is consolidated and the Budget and Five Year Plan is drafted, including estimated customer rate impacts. The draft budget documents are presented to the Leadership team and assessed for changes necessary to support corporate objectives. In preparing the 2019 Budget, the Leadership Team also incorporated changes to the OM&A budgets and capital expenditure plans based on the customer feedback that was received during the various stages of the augmented customer engagement initiatives undertaken in 2017, particularly with respect to the pacing of expenditures and concerns with respect to the impacts on distribution rates.

The final budget materials are presented to the Audit Committee and Board of Directors in its December meeting where formal approval is obtained.

1-SEC-4
INTERROGATORY

Ref: Ex. 1

Please provide details of all productivity and efficiency measures the Applicant has taken since 2014 that are not a direct result of the amalgamation between CND and BCP. Please quantify the savings achieved.

RESPONSE

Please see Table 1-SEC-4, below for a listing of productivity improvements. In some instances, increased productivity came in the form of completing increased work with the same amount of resources. In some instances, the financial savings were not quantifiable.

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
Administration	2014-2017	Print materials transitioned to Board Books and then Board Portal	Online solution enabling paperless Board meeting content, secure storage of documents	Reduced paper, courier costs, reduced Administration time, 18 hours per year.
Corporate	2014-2018	GridSmartCity Cooperative	Active participation in GridSmartCity committees	Synergies from collaboration with 13 LDCs. Savings from Insurance reductions, joint purchasing, shared communication strategies, Cyber-Security, learnings from innovation projects.
Corporate / Information Technology	2017/2018	Board of Directors portal	Implemented a new BoD portal	Cost savings of \$20,000 per annum going forward with a solution that is also used by other LDC's.
Customer Care	2015	Fit/MicroFit Customers Electronic Refunds	All customers signed up to receive credits automatically in their bank account.	Additional time Customer Care 6 hours/year for file transfer preparation and upload. Finance no longer issues monthly refund cheques, re-deploy resources, time savings. postage savings \$250 per

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
				month.
Customer Care	2014	<p>Stopped processing cash/debit payments in head office.</p> <p>Closed Cashiering Fall 2014</p>	Closed cashier station, process cheques only.	<p>2015 – Cashier reduced 1 Full Time Resource \$60,000.</p> <p>Residual Cashier duties assigned to Receptionist/Customer Care Clerk</p> <p>No longer required Brinks service. Annual Savings \$12,000.</p>
Billing/Customer Care	May 2014	Launch paperless billing	Customers sign up for eBilling to receive notification to login and obtain ebill	Cost reduction for postage/paper, 3 rd party processing of bills. Environmental efficiency, improved customer satisfaction.
Customer Care	2015	Remove PAP Sign-up form on return envelope and include online	Preprinted tear off form to apply for Preauthorized Payments attached to envelope	Cost reduction for postage/paper. Approximately \$2,500.annual reduction.
Customer Care	2015	Remove return envelopes for electronic customers.	Programming so customers that pay electronically and are not on paperless billing do not receive a return envelope to make their next payment.	Reduce envelope printing costs, approximately \$3,000. Annually. Environmentally responsible, increased customer satisfaction.
Billing/Customer Care	2016	Billing/Customer Care Processes Review to optimize processes for monthly billing	Look for efficiencies to reduce incremental costs when moving to monthly billing.	Streamline Reports, to minimize risk of errors, increase processing times. Annual savings approx. 65 hours per year in Billing.
Corporate	2016	Active participation	Collaboration of utilities	Synergies from joint discussions

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
		in Utilities Standards Forum	discussing asset standards and expanded to collaboration on Regulatory, Customer Care and Cyber Security Measures	and sharing best practices.
Customer Care	2017	Budget /Equal Payment Plan Customers receive electronic refunds	Semi/Annual review of accounts, refunds where applicable are directly deposited to customer account were customers signed up for pre-authorized payments.	Finance no longer issuing refund cheques, re-deploy their resources. Streamlined process for customers, more convenient, no cheque to cash.
Customer Care	2017	Deposit Invoiced on customer bill.	Program changes made to bill customer deposits on their regular bill, including capacity to set up with 1 to 6 installments over multiple bills.	No manual follow- up required by Customer Care Representatives. Deposit shows as line item on customer bill. Payments can be withdrawn by PAP. Estimated time savings 30 hours per year, deployed to other tasks.
Customer Care	2018	Alertworks Auto Call – First Level Collections Call.	Integration of a successful call placed as a note on customer's account in Customer Information System.	Efficiency to Customer Care when speaking to customer regarding collections.
Customer Care / Communications	2014	New Online Mobile Forms	Customer self-service forms added to website with addition of a Mobile platform for a portion of the website.	Saves paper, time service customers at counter. Savings in record keeping, tracking requests.
Customer Care / Communications	2017	Enhanced and Fully Responsive Online Customer Forms	Upgrade and enhancement of online forms, fully responsive so customers can	Improvements to online form completion for customers. Improved customer satisfaction.

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
			complete using mobile device. Fields modified for easier completion	
Communications	2014	Website Team Created	Cross functional website team, Subject Matter Experts updating content.	Communication resources deployed for greater focus on strategy.
Communications	2014	Social Media Program Launched	Twitter & LinkedIn	Cost effective communication channel. Raise awareness of services, outage updates, new programs, promote energy efficiency and safety messaging for customers.
Communications	2016	Facebook added to Social Media	Facebook	Facebook linked to Twitter feed to deliver enhanced customer communication.
Communications	2014	Hootsuite Social Media Monitoring	Dashboard to view online comments, and track conversations, respond and assign to appropriate staff member to respond	Save time posting on multiple social media accounts, efficient monitoring, analytics. Communication resource deployed to other activities.
Communications	2016	Partner with other LDCs on Public Safety Awareness Survey	Biennial Public Awareness Survey required of all LDC's. Share resources, consistent messaging across LDCs	Efficiencies of hiring a single 3 rd party market research. Estimate \$3K-5K savings from partnering on a survey initiative.
Communications	2017-2018	Partner with multiple LDCs to produce 6 Public Safety Videos	Share resources, consistent message across LDCs	Sharing, video production costs. \$5K approximate savings through sharing resources.
Communications	2017	2017 Customer Satisfaction Survey Results for	Customer Satisfaction Metric obtained when augmented customer	\$10K saved in 2017 and \$10K saved in 2018

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
		Corporate Scorecard	engagement activities for Cost of Service undertaken.	
Communications	2017-2018	Constant Contact Service to Distribute Direct Customer Emails	Send direct email messages to customers. Enable tracking and customer analytics.	Save paper, time, email storage, postage.
Conservation and Demand Management	2013-2017	Collaborate with Kitchener, Waterloo LDCs to deliver pilot programs, marketing	Share common costs for programs.	More efficient delivery of CDM programs.
HR & Safety	2017	Compliance Science Introduced	Online platform for all policy and procedures updates and reviews. Central portal for all employees	Reduce paper and photocopy costs. Staff time to focus on other tasks. Improve tracking for compliance of employee training for safety and other corporate procedures.
HR & Safety	2017	Fulcrum Application for Site Visits	Electronic site visit report	Saving time, paper costs
HR / Information Technology	2016/2017	Electronic Employee documentation	Electronic storage of key employee HR documentation.	Leveraged FileNexus solution to store, retain and archive key employee documentation in an electronic archive. Time savings with respect to locating key documents; retention periods for these key documents managed electronically; improved audit trail with respect to changes to any identified key employee documentation.
Human Resources	2017	Sprigg Performance Management Tool	Employee performance management tool and dashboard	Saving time, paper costs

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
Human Resources	2018	Five Year Collective Labour Agreement for Both Inside/Outside IBEW	New language, efficiencies and savings of a five-year agreement.	Efficiencies, greater flexibility, risk mitigation.
Billing	2018	Merging of customer billing cycles	Cycles being merged into larger more manageable sizes (8 cycles reduced to 4 cycles)	Reduced cycles increase efficiencies with running and checking reports for billing.
Engineering	2016	Outage Management System	Includes real-time online Outage Map for customers in CND	Reduce number of phone calls, more effective outage restoration
Engineering	2017	Asset Condition Assessment and Prioritization Analysis	Inventory of assets and prioritization analysis using the ProSort tool	Optimization of asset and capital rebuilds.
Engineering/ Customer Care	2018	Long Term Load Transfers Completed	In accordance with OEB requirements	Reduced Billing time reconciling annual consumption, reduced reporting time, reduced customer confusion and phone calls, emails. Improved customer satisfaction for customers being billed by utility that delivers power.
Engineering	2018	MIST Meter Program	Interval meters installed on customers >50kW.	Customer satisfaction improvements, Enables large customers to see consumption data on online portal. Streamline billing all customers billed on intervals. Increased costs for 3 rd party billing and settlement and access to online portal.
Finance	2016	Electronic Funds Transfer (EFT) Payments to	Issue payments directly to suppliers and retailers via EFT. Over 70% of suppliers on	Reduce paper, cheques, postage, annual savings of approximately \$10,000. Increased Finance resource capacity to other

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
		Suppliers	EFT. EFT to employees for expenses.	activities.
Finance	2016	Corporate Financing	Obtained credit rating with Standard & Poors - A Stable rating	Preferred interest rates / available operating line based on robust financial performance.
Finance	2016	Upgrade to Microsoft GP Financial System (ERP) and process enhancements.	Automated monthly financial statements and consolidation. Implemented automated bank reconciliation solution. Improvements to Payroll solution, including time reporting enhancements.	Reduce time to prepare monthly financial statements. Increased capacity in department by approximately 96 hours per year. Increased capacity in the department by approximately 10 hours per month or 120 hours per year. Increased capacity for operations supervisors due to less time required in approving daily time reporting.
Operations	2017	Customized Small Boom Truck	Designed to navigate small spaces.	For Operations efficiency, a small vehicle dispatched instead of a large boom truck. Able to access small spaces near buildings and on narrow roadways.
Operations / Information Technology	2015/2016	Locates automation	Customer requested locates	Implemented an automated solution to receive and process locates requests from Ontario One Call that leverages the File Nexus solution to store and track any changes with respect to a locate request. Savings with respect to time to receive and process locate requests.

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
Operations / Information Technology	2017	Remote print capabilities (printing in a truck)	Improve field efficiency for supervisors and sub-forepersons	<p>Implemented in-truck printing capabilities for field supervisors and sub-forepersons to allow them to print documentation when on-site.</p> <p>Reduces time to retrieve documentation; improves efficiency of field forces with respect to paper follow-up on field jobs.</p>
Information Technology	2014	File Nexus	Convert hard copy files to electronic files and link to CIS	Reduce storage, efficiency for work orders, data files
Information Technology	2014	Data Center upgrades	Reduced power consumption within the Data Center by 41%.	<p>Reduced monthly power consumption of data center equipment by 41% after upgrades to storage, servers and backup hardware were implemented.</p> <p>Additionally, reduced annual maintenance costs on new infrastructure (hardware) components by a minimum of \$10,000 per annum.</p>
Information Technology	2014	Telephone system review	Reduce telephone costs, remove telephone lines/equipment no longer required	Allowed Energy+ to reduce telephone system operating costs by \$16,000 over an initial three year period.
Information Technology	2014	Managed print services	Cost reduction; improved equipment maintenance	To improve control over increasing print costs; improved print hardware/assets maintenance capability.
Information Technology	2015	Disaster recovery solution for IT environment	Meeting business need for recovery of key business systems	Allows Energy+ to recovery key business systems in a defined time period (Recovery Time Objective), in the event of a business

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
				interruption.
Information Technology	2016	Automated monitoring capabilities – hardware and network.	Improved insight to the status of equipment – health – and insight into network activity and usage.	Improved the ability for the ITS team to be proactive with respect to any hardware and/or networking issues that could impact staff productivity or impair the ability of customers to request services from Energy+.
Information Technology/ System Control/ Operations	2016	Mobile WiFi and GPS Tracking in Fleet	Mobile tracking of vehicles to know the vehicle's location in order to deploy vehicle fleet resources during an outage	More efficient response of resources (vehicles and people) to outages by knowing what resources are near the outage and available
Information Technology	2017	Microsoft O365 pilot implementation	Email access and disaster recover enhancement	Part one of a two part project to move Energy+ to Microsoft O365 – better disaster recovery capability, access to email and office applications anywhere and anytime.
Information Technology	2017/ 2018	Collaboration technology improvements	Improved corporate collaboration capability	Implemented new technology to enable the dissemination of corporate information to all offices; enhance ability to hold town halls across the organization a head office and remote locations, including at the desktop; automation of meeting room bookings with display on meeting room status at the room location.
Information Technology/ System Control	2018	AMI Meters Connected to OMS	Improved intelligence for outage information	Improved timeliness of knowing about outages.
Information Technology	2018	Tape life cycle management	Improve tape retention, reduce tape storage	Cost savings through proper tape management life cycle practice; enforces archive and retention

Department	Year	Name of Productivity/ Efficiency Measure	Description	Quantified Annual Savings (if applicable)
		program	costs	policy with respect to documentation that has been archived to tape.
Operations	2014-2018	Field tablets to be used by field crews	Deploy crews with daily work stored electronically on tablets	Eliminate paperwork on work projects, more efficient work completion Service Truck Savings approximately \$8,300 per year.
Operations	2018	Pole deliveries - Vendor to drop specific poles at specific sites on large projects to eliminate re-handling of poles	Eliminates Energy+ crews reloading poles from a central warehouse location to be delivered to the job site	Savings of \$5,000 on large projects with an average of 60 poles.
Operations	2018	Reduction of Staff	A Supervisor retired and one Powerline Technician moved into the Supervisory role. No replacement of Powerline Technician is scheduled.	Savings of \$130,000 per year for one PLT (split between operating and capital).

1-SEC-5

INTERROGATORY

Ref: Ex. 1

Please provide details of all productivity and efficiency measures the Applicant plans to take in the test year. Please quantify the forecast savings

RESPONSE

The details of all productivity and efficiency measures the Applicant plans to take in the Test year (2019) are shown in Table 1-SEC-5, below.

Table 1-SEC-5: Test Year Productivity and Efficiency Measures

Department	Name of Productivity/Efficiency Measure	Description	Quantified Annual Savings (if applicable)
Customer Care	Electronic Welcome Package	Creation of comprehensive electronic Welcome Package to provide customers enhanced information relating to services available, paperless billing, collection process, expected first due date, available low income programs, Outage Line. Provide enhanced information in line with customer feedback.	Efficiencies in new customer set ups. Reduced calls to Call Centre. Improved uptake of Paperless bills, improved customer satisfaction. Postage, paper reduced.
Customer Care	Toll Free 24/7 Outage Line for all outages.	Toll Free outage line 24/7 answered by live utility experienced representatives to address customer need for enhanced information during outage events.	Improved customer satisfaction. Fewer calls to Call Centre.
Communications	Paperless Billing Campaign	New and existing customers eligible to win financial incentive for enrolling in e-billing. Collaborate with other utilities to share what promotions and processes lead to enhanced	Reduced costs paperless bill versus print bill, improved environmental footprint. Estimate \$13,500 savings.

Department	Name of Productivity/Efficiency Measure	Description	Quantified Annual Savings (if applicable)
		customer sign ups.	
Customer Care	Paperless Billing Sign Up Process	Review current Bill Connect sign up process integrated to CIS, and customer feedback to identify opportunities to be able to sign up the customer at time of move in.	Efficiencies in processing. Reduce calls from customers who need assistance signing up. Reduced costs paperless bill versus print bill, improved environmental footprint
Communications	Promote Updated Website	Launch campaign to promote new features of corporate website, including fully mobile responsive website, improved layout and navigation, streamlined online forms, to deliver customer preferred information quickly and efficiently	Reduced telephone calls, improved customer satisfaction and communications during outages, other online customer services
Customer Care	Live Chat	Introduce Live Chat functionality integrated into new website design as another communication tool to engage with live Energy+ representatives.	Delivers another communication channel for customers while they are on the corporate website. Offsets telephone calls, emails
Customer Care/Engineering	MIST Meters. Replace all >50 kW meters with an interval Meter	Electronic process for billing and settlement. Customers can access and utilize the online Energy Manager web tool for energy consumption data, analytics and evaluation.	Improved customer satisfaction and energy literacy. Energy+ will no longer be required to obtain meter reads manually
System Control Room	Transition to 24/7 schedule	Efficient, live monitoring, timely outage recognition and restoration.	

Department	Name of Productivity/Efficiency Measure	Description	Quantified Annual Savings (if applicable)
Operations / ITS	Field Automation	<p>Enhanced automated workflow strategy (mobile, bar coding, project estimation)</p> <p>Install laptops and printers in two additional Supervisory Trucks.</p> <p>Install Wifi and printers in the Underground Work Vans to give access to On-line information and mapping services.</p>	<p>Continue to implement mobile laptop computer applications for Supervisors. This work in the field amounts to a savings of \$8,300 per year.</p>
ITS	Cloud Services	<p>Move select key business services to cloud providers depending on costs, reliability and security concerns.</p> <p>Initial candidates for such cloud services would be the Customer Information System/Billing system. Some initial investigative work has been done on this.</p> <p>The corporate and customer web portals are good candidates for movement to a cloud provider.</p> <p>Also looking at a local cloud provider for potential infrastructure support. Will depend on costing to determine if this would fit the needs of Energy+.</p>	<p>This will be a project that addresses the movement of key business applications to the cloud depending on the availability, cost and security with respect to the provisioning of such services.</p> <p>Not initially expecting cost reductions but rather cost transfer in terms of time and effort to maintain the infrastructure. As cloud providers become more cost effective, could see cost reductions.</p>

Department	Name of Productivity/Efficiency Measure	Description	Quantified Annual Savings (if applicable)
ITS	Cybersecurity Strategy	<p>This effort is in response to the OEB Cyber Security Framework (Framework).</p> <p>In 2018, work was undertaken to identify gaps between where Energy+ is with respect to the Framework and where it needs to get to against said framework.</p> <p>2019 will be the start of the work effort to get Energy+ compliant against the Framework. It is expected that this effort will move into 2020 before it is completed. There is one capital project related to this effort in 2019.</p>	<p>Not expecting costs savings but rather providing the ability for Energy+ to be better positioned in the event of a cyber incident or an incident that potentially has a customer impact.</p> <p>This is a cost avoidance and risk mitigation effort that is focused on ensuring that any cyber or customer information incident is handled in an effective and efficient manner with minimal impact to Energy+'s customers.</p>
Operations	Reduction of Staff	One retirement expected in 2019.	Savings of \$130,000 per year. Savings split between operating and capital.
Operations	After Hours Report Storage	Store this paper information with the File Nexus electronic storage solution.	This will allow for more efficient review of data for various reports over the year. Savings of \$250 per month.
Operations	Pole Delivery to Job Site for specific pole locations by Vendor	This process eliminates the requirement for Energy+ crews to reload the poles from a central warehouse location for delivery to specific pole sites on large projects.	Savings can be up to \$5,000 on large projects of 60 poles or more.

Department	Name of Productivity/Efficiency Measure	Description	Quantified Annual Savings (if applicable)
Operations	Install additional fault indicators.	Energy+ plans on installing additional fault indicators in residential subdivisions greater than 30 years of age.	This should improve restoration times by allowing crews to more quickly pinpoint the underground outage locations. Savings of \$170 per underground residential subdivision.
Operations	Develop a long term fleet renewal strategy with EV technology.	Review and evaluate available options for future vehicle replacements with EV technology for both small and large vehicles.	Cost options and EV technology benefits will be evaluated in the study.

1-SEC-6

INTERROGATORY

Ref: Ex. 1, p.25

With respect to scorecards:

- a. Please provide a copy of the Applicant's balanced scorecard for each year between 2014 and 2018.

RESPONSE

The balanced scorecards for the years 2014 to 2018 are attached to this response in the following appendices:

Appendix 1-SEC-6(i) - 2014 Corporate Scorecard

Appendix 1-SEC-6(ii) - 2015 Corporate Scorecard

Appendix 1-SEC-6(iii) - 2016 Corporate Scorecard

Appendix 1-SEC-6(iv) - 2017 Corporate Scorecard

Appendix 1-SEC-6(v) - 2018 Corporate Scorecard

1-SEC-6

INTERROGATORY

Ref: Ex. 1, p.25

b. Please provide the most recent 3 Key Performance Indicator Reports.

RESPONSE

Please find attached to this response:

Appendix 1-SEC-6(vi) - 3rd Q 2017 Key Performance Indicators

Appendix 1-SEC-6(vii) - Year End 2017 Key Performance Indicators

Appendix 1-SEC-6(viii) - 1st Q 2018 Key Performance Indicators

1-SEC-7

INTERROGATORY

Ref: Ex. 1, p.97

The Applicant states that as a result of its augmented customer engagement it reduced the 2019 OM&A budget by \$292,000. Please provide details of what aspects of the budget were reduced.

RESPONSE

As outlined in Interrogatory 1-Staff-4c, Energy+ revisited the initial departmental budget requests for 2019 OM&A expenditures and identified opportunities for reductions in the amount of \$292,000 in expenses including, Conferences and Seminars, Training, Professional Fees, Staffing, Legal and other various department expenses.

1-SEC-8

INTERROGATORY

Ref: Ex. 1, p.97

The Applicant states that as a result of its augmented customer engagement, it reduced the 2019 capital budget by \$1M. Please provide details of what aspects of the budget were reduced.

RESPONSE

Please refer to the Response to Interrogatory CCC-32.

1-SEC-9
INTERROGATORY

Ref: Ex. 1, p.19

The Applicant states that the 2014 Board Approved Proxy was calculated, in part, by including “Former BCP Board Approved figures for 2011, as approved in EB-2010-0125, as inflated for 2012, 2013, and 2014 utilizing the Board Incentive Rate-making Mechanism (“IRM”) inflation factors for each of those years for the former BCP”. Please provide the 2011 BCP Board approved figures as well as the IRM factors used for 2012, 2013 and 2014.

RESPONSE

Throughout the Application, Energy+ uses the concept of a “2014 Board Approved Proxy” in order to provide for meaningful year-over-year financial analysis. As a result of the acquisition and subsequent amalgamation of the former CND and BCP, and in light of the fact that each of the former utilities had different rate rebasing years, Energy+ developed this 2014 Board Approved Proxy for comparative purposes.

In order to fully answer this interrogatory, Table 4-2 from Section 4.1.2 (page 8 of 540) in Exhibit 4, Operating Costs, is copied below. The 2011 Board Approved amounts are shown on the right side of the table, as well as the IRM factors applied for 2012, 2013 and 2014.

Table 4-2: Computation of 2014 Board Approved Proxy

Table 4-2: Computation of 2014 Board Approved Proxy

	Former CND 2014 Board Approved	Former BCP 2014 Board Approved Proxy	Energy+ 2014 Board Approved Proxy	Former BCP 2014 Board Approved Proxy			
				2011 Board Approved	Proxy 2012 IRM Factor 0.68%	Proxy 2013 IRM Factor 0.28%	Proxy 2014 IRM Factor 1.6%
Operations	\$ 2,342,789	\$ 885,726	\$ 3,228,515	\$ 863,472	\$ 869,344	\$ 871,778	\$ 885,726
Maintenance	\$ 1,995,344	\$ 666,585	\$ 2,661,929	\$ 649,837	\$ 654,256	\$ 656,088	\$ 666,585
Billing and Collecting	\$ 2,944,585	\$ 786,024	\$ 3,730,609	\$ 766,275	\$ 771,486	\$ 773,646	\$ 786,024
Community Relations	\$ 151,100	\$ 182,607	\$ 333,707	\$ 178,019	\$ 179,230	\$ 179,731	\$ 182,607
Administrative and General	\$ 7,064,034	\$ 1,392,637	\$ 8,456,671	\$ 1,357,646	\$ 1,366,878	\$ 1,370,705	\$ 1,392,637
Total	\$ 14,497,852	\$ 3,913,579	\$ 18,411,431	\$ 3,815,249	\$ 3,841,193	\$ 3,851,948	\$ 3,913,579

Similar tables are provided throughout the Application in:

Exhibit 2, Rate Base, Section 2.1.2, page 5 of 1493;

Exhibit 3 Operating Revenue (for Distribution Revenue), Section 3.1.1.1, page 3 of 98;

Exhibit 3 Operating Revenue (for Other Revenue), Section 3.1.1.2, page 4 of 98; and

Exhibit 5, Cost of Capital and Capital Structure, Section 5.1.1, page 3 of 175.

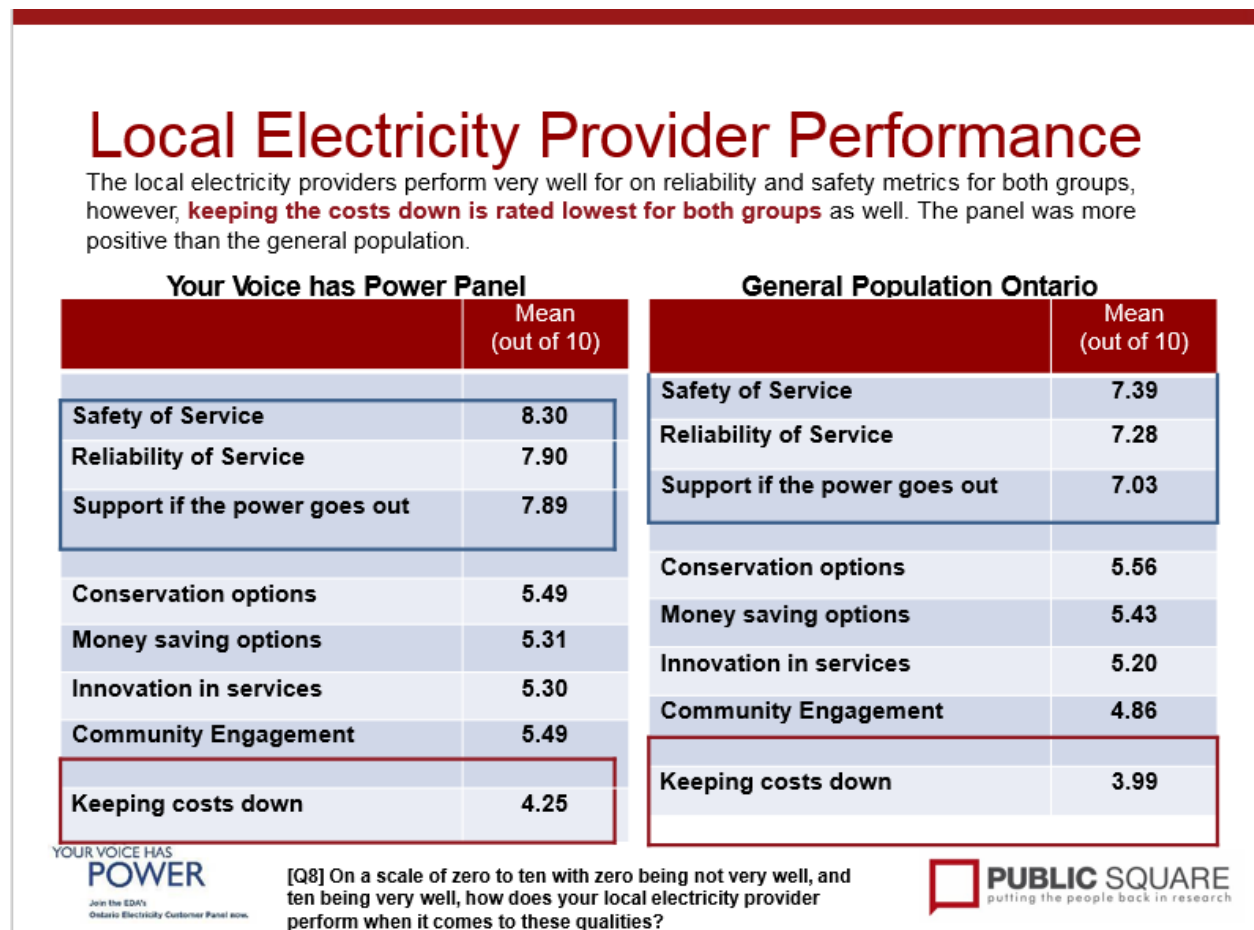
1-SEC-10
INTERROGATORY

Ref: Ex. 1, p.96

Please provide a copy of the results of the referenced EDA customer panel survey.

RESPONSE

The confidential* survey results from the EDA customer panel, identified that, “The local electricity providers perform very well on reliability and safety metrics for both groups, however, keeping the costs down is rated lowest for both groups, as well”.



*Released with Permission from EDA

1-SEC-11

INTERROGATORY

Ref: Ex. 1, p.123

The Applicant states that a total of 11 full-time positions were eliminated by way of three different categories. Please provide a list of those positions and an explanation of how each was eliminated. Please also indicate if the position was vacant at the time of the amalgamation.

RESPONSE

A list of the positions eliminated and an explanation of how each was eliminated is shown in Table 1-SEC-11, below. This information is in line with Table 4-24, Exhibit 4, page 60.

Table 1-SEC-11: Positions Eliminated

Positions Eliminated Acquisition / Amalgamation	Elimination of duplicate / vacant positions	Realignment of existing positions	Natural attrition / retirements
Chief Financial Officer	Duplicate		Attrition
Intermediate Accountant			Attrition
VP, Energy Efficiency		Realignment	Retirement
GIS Technician	Vacant		
Director, Customer Care	Vacant		
Lines Superintendent			Attrition
Executive Assistant	Vacant		
Customer Care Clerk (2)		Realignment	Attrition
Operations Clerk			Retirement
Meter Technician			Retirement

1-SEC-12

INTERROGATORY

Ref: Ex. 1, p.129

Table 1-37 provides a completion status of main action items included in the 2013 to 2017 Business Plan. Please provide further details on each of the main action items and the metric or measure used to determine the achievement status.

RESPONSE

Table 1-SEC-12 below is Table 1-37 from the Application edited to show further details on each of the main action items and the metric or measure used to determine the achievement status.

Table 1-SEC-12: 2013 to 2017 Business Plan Achievements
- Main Action Item Details and Metrics/Measures

Core Objective	Main Action Items	Details	Completion Status	Metric/Measure
Aligned and Accountable Leadership, Engaged and Enlightened Employees	Board alignment and accountability	The Board of Directors develops a Strategic Plan with support from the Leadership Team. The Board provides oversight to ensure that the Plan is executed.	Achieved	Board of Directors Strategic Planning Sessions, Regular Board and Subcommittee Meetings, Regular CEO updates to Board, Balanced Scorecard, OEB Scorecard
	Leadership team alignment, role clarity and accountability	Leadership Team activities are aligned with the Strategic Plan for Energy+ in order that progress will be made toward fulfilling the Plan	Achieved	Department Business Plans, Regular Leadership Team Meetings, Performance Goals, Balanced Scorecard, OEB Scorecard
	Leadership team and management alignment, role clarity, streamlined processes	Management staff understand their roles in helping to execute Department Business that underpin the Strategic Plan	Substantially achieved	Department Business Plans, Regular Department Meetings, Performance Goals, Cost Per Customer
	Communications strategy, dialogue focused internal communications, reputation/branding	Foster an environment where staff are informed and engaged and are "ambassadors" for the corporate brand	Achieved	Communications Strategy is part of Customer Service Business Plan, Regular CEO Update Meetings, Information posted to Intranet, Customer Satisfaction

Core Objective	Main Action Items	Details	Completion Status	Metric/Measure
Resource Adequacy	Address staffing, skill mix	Organization is staffed to the appropriate level with competent staff	Achieved	Position Descriptions, Hiring Practices, Performance Goals
	Succession planning	At least one succession candidate is identified for each senior role	Substantially achieved	Succession Plan
	Training, capacity building	Staff receive the training that they require and are encouraged to take course outside of work as appropriate	Substantially achieved	Training Hours Training Budget Employee development plans as part of Annual Review Process
	Facilities	Efficient use is made of facilities and operations staff are in the vicinity of customers in order to respond to outages or other customer issues	Substantially achieved	Facilities Business Plan developed and filed as part of 2019 Rate Application. Board of Directors review and approval of facilities plans.

Core Objective	Main Action Items	Details	Completion Status	Metric/Measure
Engaged and Enlightened Customers and Communities	Communications strategy, dialogue focused external communications, reputation/branding, outreach and social media	A Communications Strategy is in place to support the Strategic Plan.	Achieved	Communications Strategy document updated annually; Use of website, bill inserts, social media; Community Events; Use of Customer Metrics (e.g. Appointments/Calls Answered on Time, First Contact Resolution).
	CDM initiatives	Annual CDM targets to be achieved	Achieved	Net Cumulative Energy Savings
	eServices/Solutions	Provide customers with “self serve” options and provide e-billing	Achieved	Number/Percentage of customers on e-billing, Services available on website (ex. move in/move out), Outage Management System
	Dialogue on sector challenges and opportunities	Ongoing participation in meetings and conferences. R&D through GridSmartCity	Substantially achieved	GridSmartCity Innovation Committee; Active participation through EDA.
	Dialogue on Energy+ specific challenges and opportunities, e.g. generation, reliability	Start-up GRE affiliate	Substantially achieved	GridSmartCity Membership; Joint venture with Grand River Energy.
	Rapid outage response	Respond to and restore power outages as promptly and safely as possible	Substantially achieved	SAIDI, SAIFI, Customer Satisfaction, Implementation of Outage Management System. GridSmartCity Mutual Aid Agreement
	Media relations, community relations	Provide information to the media both proactively and reactively	Achieved	Number of Press Releases, Number of Media Reports; Manager, Communications hired.

Core Objective	Main Action Items	Details	Completion Status	Metric/Measure
Environmental Stewardship Leadership	PCB free 2013	To have not PCB contaminated equipment	Achieved	PCB Tests
	EV integration	Purchase electric vehicles and study their impact on the distribution system	Substantially achieved	EV Pilot and Report 2 Electric Vehicles in fleet. 2 Charging Stations
	Environmental stewardship progress reports	Track GHG emissions through Sustainable Waterloo Region	Substantially achieved	GHG Calculations
	Sustainability partnerships	Partner with Sustainable Waterloo Region and Cambridge Energy Investment Strategy	Achieved	Active member, on Steering Committee
System Reliability Enhancement	Engagement of OPA and Hydro One, Guelph, Waterloo, Kitchener on regional planning	Ensure that planning studies and capacity planning is done in partnership with the appropriate distributors	Achieved	Results included as part of DSP filed in 2019 Rate Application
	Customer outreach enhancement opportunities	Ongoing interactions with customers to provide information and to gather input and feedback	Substantially achieved	Community meetings, web surveys, Customer Satisfaction
	Asset management	Determine the assets to be maintained or replaced using a structured methodology	Substantially achieved	DSP Preparation, DSP Implementation Progress, SAIDI, SAIFI

Core Objective	Main Action Items	Details	Completion Status	Metric/Measure
Culture of Innovation	IT integration and enhancement	Integrate the OMS, GIS, Smart Meters and CIS	Substantially achieved	Integration Complete
	Systems integration	Focus on OMS implementation	Substantially achieved	OMS in service
	Smart Grid	Explore Smart Grid projects if feasible and justified by a business case	Partially achieved	GridSmartCity Membership, Implementation of Intelligent remote switches
	Foster change agents, build project management capacity	Explore a joint facility with Brantford Power, Ensure that staff have project management capabilities	Substantially achieved	MOU Signed. Project Management training complete.
	Recognition and reward system	Implement a new incentive structure	Achieved	Balanced Scorecard
	New business ventures	Pursue new business ventures if feasible and justified by a business case	Substantially achieved	Joint venture with KW, WNH on non-regulated energy solutions business.
Safety and Wellness Focus	Participation in CSA Z1000 program	Implement a Health and Safety Management System	Achieved	Compliance with Ontario Regulation 22/04, Public Safety Incidents, Serious Staff Safety Incidents Safety awards
	Develop and implement new wellness programs	Implement a program that stresses the importance of personal wellness and provide advice on how to achieve wellness	Achieved	Wellness Program implemented, Wellness seminars, Employee sick days and occurrences
	Continued investment in training	Provide safety training for staff that is tailored to their roles.	Substantially Achieved	Safety – Level of Public Awareness

Core Objective	Main Action Items	Details	Completion Status	Metric/Measure
Optimal Financial Returns	Cost of Service rate application	Rate Application be prepared and filed by the end of April 2018	Achieved	Filed April 30, 2018
	Productivity improvements	Successful integration of Brant County Power	Achieved	Synergy savings achieved
	Shareholder returns	Earn the Board's deemed ROE	Substantially Achieved	Regulated ROE compared to actuals and budget

1-SEC-13

INTERROGATORY

Ref: Ex. 1, p.133

With respect to the 2018-2022 Business Plan:

- a. Has the Applicant completed its review of the organization structure to date? If so, please provide details on the outcome.

RESPONSE

With respect to the 2018-2022 Business Plan, Energy+ has not completed the review of the organization structure at this date.

1-SEC-13

INTERROGATORY

Ref: Ex. 1, p.133

- b. Has the Applicant completed its refreshed Succession Plan and/or updated its Workforce Renewal Strategy yet? If yes, please provide a copy.

RESPONSE

Energy+ has not completed the Succession Plan and / or updated the Workforce Renewal Strategy.

1-SEC-13

INTERROGATORY

Ref: Ex. 1, p.133

- c. Please also provide a copy of each of the existing/former Succession Plan and Workforce Renewal Strategy.

RESPONSE

The latest draft of the Succession Plan for the Leadership Team is attached in an Appendix to this question.

Appendix 1-SEC-13 c) – Succession Plan - Redacted

2-SEC-14

INTERROGATORY

Ref: EB-2013-0416, Exhibit 2, appendix 2-8A DSP, p.99-100 and Appendix K

Please complete a table that shows for each material capital project proposed to be undertaken between 2014 and 2018 as set out in the CND 2014 DSP, the following information:

2014 CND DSP Forecast					Actual		Variance	
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount	Priority	Year Completed	Actual Costs	Explanation of Cost Variance (if >5%)	Explanation if project not completed change

RESPONSE

Below is the requested table: Table 2-SEC-14: Material Projects 2014-2018 for former CND Distribution System Capital Plan.

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Franklin Boulevard Roundabouts - Year 1	SYSTEM ACCESS	2014	\$2,782,600	1	2015	\$2,030,855.88	The Year 1 Franklin Boulevard Roundabout relocations included the intersections of Pinebush Road, Sheldon Drive, Bishop Street, Clyde Road, Savage Drive and Main Street. Appendix M of the 2013 DSP describes this project in detail. All of the work was completed but at a later time frame than originally anticipated in 2013. The Region of Waterloo was not able to acquire the necessary land/easements for this road project until late October/early November 2014. This left insufficient time for cost effective construction in 2014. Tender costs to complete the relocations at one roundabout in 2014 came in 3.3 times the cost of completing the work early in 2015. Both Energy+ and the Region of Waterloo agreed that it was prudent to delay the construction work until 2015. Tender prices for 2015 were close to estimate. The 2014 costs were primarily engineering costs. The engineering was done externally by Stantec. The main difference between the actual cost and the estimate prepared in 2013 was ongoing cooperation between the Region of Waterloo and Energy+ to resolve roadway conflicts through engineering changes either in the roadway design or the electrical work. This resulted in a large number of iterations of the design and additional engineering costs but ultimately reduced the total cost of the project. There were also numerous roadway design changes which required re-design/review of the planned relocation work. There was also \$22,374.00 of cost in 2013 for engineering. 50% of labour and labour saving devices for this project was billed to the Region of Waterloo as per the Public Service Works on Highways Act.
Underground Subdivision Capital Investment (by developer) - 500 lots	SYSTEM ACCESS	2014	\$1,271,000	1	2014	\$923,206.00	In 2014, 256 new single family, semi-detached and townhouse units were connected. The timing of assumption of developer installed assets does not line up with individual service connections. Therefore, there is a lag between service connections and assumption of subdivision assets. Growth in 2014 was lower than expected. The 2013 DSP forecasted the connection of 500 units. The actual number was 48.8% lower. The actual number is driven entirely by customer requests.
2014 Underground Servicing Industrial	SYSTEM ACCESS	2014	\$1,000,000	1	2014	\$1,009,049.70	The level of underground industrial servicing (primarily three phase padmount transformers) in 2014 was as anticipated in 2013.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Double Circuit Existing 27.6kV Line - Fountain St. (Shantz Hill to Dickie Settlement Road) - 2.8km	SYSTEM ACCESS	2014	\$926,300	1	2016	\$1,008,205.28	This project was undertaken to connect a new residential subdivision in the Limerick Road area (774 units). It was also required to connect a proposed industrial subdivision at the intersection of Fountain Street South and Dickie Settlement Road. Appendix M of the 2013 DSP describes this project in detail. Building permit availability for the Limerick Road residential subdivision was delayed until 2015. As a result, Energy+ deferred the project until 2015. The project was completed in two stages. Stage 1 extended the second 27.6kV circuit from Shantz Hill Road to Linden Drive to allow connection of the residential subdivision. This work was done by a contractor and completed in August, 2015. Stage 2 extended the second 27.6kV circuit from Linden Drive to Dickie Settlement Road. This work was done by a different contractor and completed at the end of January, 2016. The industrial subdivision did not proceed but Conestoga College, located at the intersection of Fountain Street South and Dickie Settlement Road, had become a large customer. The extension of the 21M23 27.6kV feeder for Conestoga College reduced loading on the 21M27 27.6kV feeder and reduced the likelihood of interruptions to Conestoga College since the 21M27 feeder is a long rural feeder extending to just North of the community of Ayr. The total cost of the project came in 8.8% higher than the estimate in the 2013 DSP. The 2013 estimate was made prior to detailed engineering. The work included a river crossing of the Grand River. Overtime was required to complete some of the work at the Grand River and to accommodate planned outages. Additional pole cribs were required.
Underground Subdivision Capital Investment (by Energy+) - 500 lots	SYSTEM ACCESS	2014	\$729,000	1	2014	\$417,446.00	In 2014, 256 new single family, semi-detached and townhouse units were connected. The 2013 DSP forecasted the connection of 500 units. The actual number was 48.8% lower. The actual number is driven entirely by customer requests.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Highway 401 Widening and Bridge Replacements	SYSTEM ACCESS	2014	\$486,955	1	2016	\$923,871.83	The purpose of this project was to relocate existing Energy+ 27.6kV pole lines at 401 crossings and along an adjacent parallel road (Rogers Drive) in order to accommodate the widening of Highway 401 in Cambridge between Highway 8 and Highway 24. Only preliminary information was available in 2013 when the estimate was prepared. Detailed engineering was completed as specific relocation requirements became known. There were three locations where major relocations were required. The first major relocation took place early 2014 at the Speedsville Road crossing of Highway 401. This work was contracted out. The total cost for this part of the work was \$334,393. 50% of labour and labour saving devices for this part of the work was billed to the Ministry of Transportation (Ontario) as per the Public Service Works on Highways Act. The second major relocation took place in the fall of 2014 at the Fountain Street North crossing of Highway 401. This work was contracted out. The total cost for this part of the work was \$227,179. 50% of labour and labour saving devices for this part of the work was billed to the Ministry of Transportation (Ontario) as per the Public Service Works on Highways Act. The third major relocation took place in 2015 along Rogers Drive which is adjacent to Highway 401. This work was contracted out. The total cost for this part of the work was \$288,286. 100% of labour, labour saving devices and materials for this part of the work was billed to the Ministry of Transportation (Ontario). The Energy+ plant was not located on Ministry of Transportation (Ontario) property so the cost sharing was greater than normal. Four other minor relocations were completed at Hespeler Road, Rogers Drive and Shantz Hill Road in 2016 at a total cost of \$74,014. 50% of labour and labour saving devices for this part of the work was billed to the Ministry of Transportation (Ontario) as per the Public Service Works on Highways Act. The amount of relocation work required was well beyond expectations in 2013.	
Triple Circuit Existing 27.6kV Line - Speedsville Rd. - North of Royal Oak to Boxwood Industrial Subdivision - 1km	SYSTEM ACCESS	2014	\$370,520	1	N/A	\$0.00	The purpose of this project was to extend new 27.6kV feeder lines into the North-West part of Cambridge to meet expected industrial and residential load growth. Appendix O of the 2013 DSP describes this project in detail. Industrial lot sales in the Boxwood Industrial Subdivision have been slow. Much of the land remains vacant. Energy+ has evaluated the need each year for the additional capacity provided by this project and has continued to defer the project based on the lack of sufficient load growth especially in the Boxwood Industrial Subdivision. Residential development in the Hunt Club Estates development started in 2017 with the first occupancies in 2018. Energy+ has shown the addition of a second 27.6kV circuit on Speedsville Road in 2021 as part of its capital plan. This date will be advanced or delayed based on actual needs of development.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
2014 Servicing Industrial	SYSTEM ACCESS	2014	\$250,000	1	2014	\$113,243.37	This project is entirely based on customer requests for new servicing/service upgrades. There was a lower level of work in 2014 than forecasted in the 2013 DSP.		
Greenfield Road from West of Dumfries Rd. to East of Spragues Rd./parts of Edworthy Rd. and Alps Rd. – 10.1 km	SYSTEM RENEWAL	2014	\$1,968,000	5	2015	\$1,689,088	This project was split into several phases. Engineering work took longer than anticipated. Required field surveying to prepare base plans was very slow and difficult due to the cold, long winter of 2013/2014. Most of it could not be started until late spring, 2014. Engineering design work took place during the summer of 2014. Phase 1 was tendered in September, 2014. The tendered cost to complete the Phase 1 rebuild work in 2014 came in 3.3 times the cost to complete the work in Quarter 2, 2015. The delayed start to 2015 in contracted work saved \$77,000 versus Energy+'s estimate. Energy+ opted to delay construction of all phases until 2015 for cost reasons.		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

COMPARISON TO CND 2014 DSP (prepared in 2013)							Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.
Basis: Modified DSP Capital Plan (as per Cost of Service Settlement Reduction in Spring, 2014)							Projects for which timing changed as a result of the 2014 CoS settlement
2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Northview Acres Area Underground Rebuild	SYSTEM RENEWAL	2014	\$1,018,217	7	2016	\$1,787,382	Year-by-year expenditure information is shown here but \$457,663 for this project was deferred until 2015 from 2014 as part of Cost of Service Settlement. \$1,000,000 was also included in the 2013 capital budget for this project. The Northview Acres underground rebuild was scheduled in the 2013 DSP to span two years (2013 and 2014). The total estimated cost was \$2,475,880 prior to detailed engineering design. The rebuild consisted of 823 customers. The project was completed in three phases. Phase 1 was tendered in July, 2013. This was later than anticipated due to other engineering priorities. Tender pricing for the Phase 1 civil work came in 16.8% below the engineered design estimate. There were delays in contractor availability. Ultimately, \$460,849.46 was spent on Phase 1 in 2013. \$382,023.14 was spent to complete Phase 1 in 2014 for a total Phase 1 project cost of \$842,872.60 versus an engineered estimate of \$777,741.34. The difference was primarily due to the fact that trenching was required in the "Glamis Knoll" townhouses located at 215 Glamis Road in Cambridge. There was no existing duct as shown on the original drawing. The 1975 drawing was not accurate. This townhouse condominium development has four transformers and 47 customers. New transformer bases were also required at 215 Glamis Road. 58.4% more labour was required than estimated due to the issues at 215 Glamis Road and the challenges of the project. Phase 1 was fully completed in September, 2014. Phase 2 was tendered in June, 2014. Tender pricing for the Phase 2 civil work came in 6.1% above the engineered design estimate. \$448,024.23 was spent in 2014 to complete Phase 2. Minor costs of \$3,867.43 came through in 2015. The total Phase 2 engineered estimate was \$545,705.45. The actual cost was \$451,891.66. 12% less labour was required than estimated. The work progressed well. Phase 2 was completed on December 3, 2014. Phase 3 was tendered in August, 2014. Tender pricing for the Phase 3 civil work came in 5.7% above the engineered design estimate. \$59,042.83 was spent in 2014 on Phase 3. Phase 3 was completed in 2015 with an additional expenditure of \$874,538.23. Minor costs of \$19,885.93 came through in 2016. The actual cost of Phase 3 was \$953,466.99. The total Phase 3 engineered estimate was \$754,207.16. There were several reasons for the increase in cost. New transformer enclosures were required on MacAtee Place. Two additional transformers were replaced due to condition. 65.3% more labour was required than estimated. Insufficient labour was estimated. There were contractor delays resulting in most of the work being done in 2015. Some of the existing vaults ended up requiring spacer pads at additional cost. Trenching was required for a section from the walkway on Frobisher Court to the pole on Franklin Boulevard since there wasn't an existing duct as shown on the original drawing. There were numerous challenges which all resulted in additional cost. Phase 3 was completed on November 6, 2015. Overall, the project came in at \$2,248,231.25 versus a 2013 estimated cost of \$2,475,880 or 9.2% under budget.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
Shellard Road - Morrison Road to Gore Road - 5.1km	SYSTEM RENEWAL	2014	\$930,300	4	2015	\$807,279	This project was split into three phases. Phase 1 was tendered in June 2014. Phase 2 was tendered in July 2014. Phase 3 was completed by Energy+ crews. Phases 1 and 2 were completed in 2014. Phase 3 was complicated by a section of off-road line, swamp and a heavily treed area. Energy+ worked with customers in the area to achieve a mutually acceptable outcome for the rebuilt line. This work increased the engineering time. Ultimately, a new easement was registered in October 2014 for one section and work could commence. Phase 3 was started in November 2014 and completed on February 7, 2015. Work was done during extreme cold and frost conditions. Pole cribs were required in swampy areas. Ultimately, the project came in below the 2013 estimate. Detailed engineering had not been done at the time of the 2013 estimate.		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Galt Core Area Upgrades	SYSTEM RENEWAL	2014	\$470,520	8	2014	\$221,648	This budget amount continues a program of upgrades in the Galt core area of Cambridge. The Galt core area has a high concentration of business customers who suffer a financial loss during power outages. There have been a number of unplanned outages in the Galt core area due to older equipment and the ongoing presence of water, salt and other debris in the underground system. The water table is high because the Galt core area is located in a low spot right next to the Grand River. There is also a lot of salt application and build-up of debris since it is a core area. It has taken Energy+ longer than anticipated in the 2013 DSP to deliver on the upgrades. In 2014 and 2015, Energy+ needed to relocate a significant amount of equipment from its building at 12.5 Water Street South which is located in the Galt core area. The total cost of this work was \$333,606. Energy+ can only have so many distribution system abnormalities at a time in this compact area and it only has so many crews available to do this type of work. Therefore, the expenditures in 2014 and 2015 for the upgrades needed to be reduced in light of the unplanned 12.5 Water Street South relocation work. The core area work is also complicated by a lengthy process to relocate any equipment from below grade to above grade as available property is limited and by the difficulty in arranging power interruptions without inconveniencing the business customers. As a result of all these factors, the planned total of \$752,832 in spending on Galt Core Area Upgrades outlined in the 2013 DSP for years 2014 and 2015 has been stretched out to a longer period. \$221,648 was invested in 2014. \$167,074 was invested in 2015. \$408,676 was invested in 2016. \$375,190 was invested in 2017. Therefore, a total of \$1,082,730 has been invested between 2014 and 2017. \$282,312 was included in the Energy+ capital budget for both 2015 and 2016. \$244,700 was included in the 2017 Energy+ capital budget. \$132,000 is planned for 2018. \$132,000 is planned for 2019. \$212,000 is planned for 2020. \$212,000 is planned for 2021. \$261,000 is planned for 2022. \$261,000 is planned for 2023. It is an area where ongoing investment is required.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

COMPARISON TO CND 2014 DSP (prepared in 2013)							Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.
Basis: Modified DSP Capital Plan (as per Cost of Service Settlement Reduction in Spring, 2014)							Projects for which timing changed as a result of the 2014 CoS settlement
2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Pole Replacements on Franklin Boulevard not affected by Roundabout Relocations	SYSTEM RENEWAL	2014	\$463,767	1	2015	\$142,416	In 2013, it was estimated that 13 poles along Franklin Boulevard separate from the roundabout relocations would require replacement due to condition and strength. Ultimately, the number of poles was reduced to 9. Appendix N of the 2013 DSP describes this project in detail. The work was tendered in October, 2014. The tendered cost to complete the work in 2014 came in 5.6 times the cost to complete the work in 2015. Energy+ evaluated the risk and couldn't justify the significant premium to have the work completed in 2014. The work was completed in 2015. The work came in at much less than the estimate prepared in 2013 primarily because the number of poles was reduced by 30% and then the tendered pricing came in 30% lower than estimate for the 9 poles.
Avonlea / Earlwood/ Briarwood Area	SYSTEM RENEWAL	2014	\$0	12	2017	\$0	Deferred until 2015 as part of Cost of Service Settlement. Please see Year 2015 information for expenditures made on this project that was completed in 2017.
Upgrades in Various Underground Areas	SYSTEM RENEWAL	2014	\$0	9	2014	\$57,975	This item was deferred to 2015 as part of Cost of Service Settlement. The expenditure in 2014 was almost entirely the replacement of a temporary overhead installation for a failed underground primary cable at the corner of Bishop Street and Cowansview Road. The work order for this project was issued in February, 2014 before Settlement and needed to be completed. The original planned 2014 expenditure for this project was \$243,300.
Townline Road between River Road and Black Bridge Road - 0.8km - 9 customers (LTLT resolution)	SYSTEM RENEWAL	2014	\$0	15	N/A	\$0	Cancelled as part of Cost of Service Settlement. This project was being undertaken to avoid large (in the order of 25%) bill increases if the nine existing long term load transfer (LTLT) customers were changed from Energy+ to Hydro One. The new line also had future benefits to provide a loop feed in the area. Ultimately, long term load transfer customers were provided with rate protection from the Ontario Energy Board. The additional residential subdivision development has not materialized as quickly as anticipated in 2013 so Energy+ has not included this work in the 2018 to 2023 period to provide a loop feed. The LTLT customers were transferred to Hydro One in 2017.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
COMPARISON TO CND 2014 DSP (prepared in 2013)							Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.	
Basis: Modified DSP Capital Plan (as per Cost of Service Settlement Reduction in Spring, 2014)							Projects for which timing changed as a result of the 2014 CoS settlement	
Welsh Dr./Trussler Rd. Underground Rebuild	SYSTEM RENEWAL	2014	\$0	13	2017	\$0	Deferred until 2015 as part of Cost of Service Settlement. Please see Year 2015 information for expenditures made on this project completed in 2017.	
Pole Replacements	SYSTEM RENEWAL	2014	\$136,600	1	2014	\$330,103	1,492 wood poles were tested in the fall of 2013. 17 poles required replacement. There wasn't time remaining in 2013 to complete these pole changes. These 17 poles and other planned 2014 pole replacements were both completed in 2014 resulting in a significant overexpenditure as compared to budget for this project category. Pole replacements were rated Priority 1 in the 2013 DSP as they are necessary for safety and reliability. Planned 2014 pole testing was deferred into 2015 when pole testing information from 2012 and 2013 was loaded into the Geographic Information System. The data needed to be loaded to ensure an accurate listing of poles to be tested given the previous testing. An outside contractor was utilized for this work.	
Upgrade Radios/Controllers at Existing SCADA switch installations	SYSTEM SERVICE	2014	\$0	10	2017	\$0	Deferred until 2015 as part of Cost of Service Settlement. Please see Year 2015 information for expenditures made on this project between 2013 and 2018.	
SCADA Loadbreak Switches (5)	SYSTEM SERVICE	2014	\$286,600	11	2014	\$282,456	This project to install five remotely operable (SCADA) switches was completed 1.4% under budget and on-time.	

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
16kV Single Phase Reclosers	SYSTEM SERVICE	2014	\$0	14	2014	\$106,174	\$200,000 was included in the 2013 capital budget for the installation of 16kV single phase reclosers to optimize reliability (versus fuses). Energy+ had not ordered this type of equipment for a significant time and there had been changes in the available technology. Energy+ spent the first part of 2013 evaluating alternatives. By the time that equipment was selected and delivered, it was too late for 2013 installation. Therefore, the 2014 costs primarily reflect installation costs of reclosers from the 2013 capital budget. The main equipment was received in 2013. The total cost of the project (2013 and 2014) was \$235,701.07 or 18% above the \$200,000 budget. Energy+ also budgeted \$200,000 in 2014 for single phase reclosers but the \$200,000 was deferred until 2015 as per the Cost of Service Settlement. Energy+ did not proceed with additional single phase recloser work in 2014 beyond the \$106,173.94 for installation of the 2013 reclosers. Energy+ did a further review of the proposed total of twenty locations. After the first ten reclosers were installed the benefits to customers of additional reclosers substantially dropped off due to lower customer counts per recloser. Therefore, Energy+ did not think that it was worthwhile to proceed with the second phase of recloser installations in 2015. The 2013 estimate in the DSP was done just prior to detailed design estimates.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Franklin Boulevard Roundabouts - Year 2	SYSTEM ACCESS	2015	\$2,782,600	1	2017	\$2,059,981.78	The Year 2 Franklin Boulevard Roundabout relocations included the intersections of Can Amara Parkway, Elgin Street/Saginaw Parkway, Avenue Road, Dundas Street and Champlain Boulevard. Appendix M of the 2013 DSP describes this project in detail. Relocation work for Avenue Road, Dundas Street and Champlain Boulevard intersections proceeded at the beginning of 2017. The proposed roundabouts at Can Amara Parkway and Elgin Street/Saginaw Parkway have been delayed further by the Region of Waterloo. These two roundabouts are presently in the Region's 2020 capital program. Given the delays on the previous roundabout projects, Energy+ has planned this relocation work for 2021 in its capital plan. The Region of Waterloo was not able to acquire the necessary land/easements for this road project until late 2016. Therefore, the Energy+ relocation work was delayed about three years. The costs shown prior to 2017 are primarily engineering costs. There is \$45,302.00 in construction costs related to relocation work required in advance at 653 Franklin Boulevard due to construction of a new building. This advancement avoided doing work twice. The engineering was done externally by Stantec. There was ongoing cooperation between the Region of Waterloo and Energy+ to resolve roadway conflicts through engineering changes either in the roadway design or the electrical work. This resulted in a large number of iterations of the design and additional engineering costs but ultimately reduced the total cost of the project. There were also numerous roadway design changes which required re-design/review of the planned relocation work. The project was tendered in December, 2016. The relocation work started in January, 2017 and was completed on May 4, 2017. The 2017 capital budget for this relocation work was \$1,685,000. The 2017 cost was \$1,651,457. The 2017 budget number was set in the fall of 2016 prior to final engineering design. There were some additional costs encountered on the project. Conflicts with ducts/duct structures and other plant that was only discovered once excavation was underway resulted in approximately \$60,000 of unanticipated costs. The cost of temporary power to avoid long interruptions to business customers was approximately \$42,500. 50% of labour and labour saving devices for this project was billed to the Region of Waterloo as per the Public Service Works on Highways Act.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

COMPARISON TO CND 2014 DSP (prepared in 2013)							Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.
Basis: Modified DSP Capital Plan (as per Cost of Service Settlement Reduction in Spring, 2014)							Projects for which timing changed as a result of the 2014 CoS settlement
2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Subdivision Capital Investment (by developer)	SYSTEM ACCESS	2015	\$1,271,000	1	2015	\$2,843,915.00	In 2015, 201 new single family, semi-detached and townhouse units were connected. The timing of assumption of developer installed assets does not line up with individual service connections. Therefore, there is a lag between service connections and assumption of subdivision assets. In 2015, there was a large subdivision assumed by Energy+ with \$1.3 million of assets. This subdivision created a large spike in this budget category. Growth in 2015 in terms of service connections was much lower than expected. The 2013 DSP forecasted the connection of 500 units. The actual number was 59.8% lower. The actual number is driven entirely by customer requests.
Servicing Industrial U/G	SYSTEM ACCESS	2015	\$1,000,000	1	2015	\$519,325.41	The level of underground industrial servicing (primarily three phase padmount transformers) in 2015 was 48.1% less than anticipated in 2013. This category is entirely based on customer requests. Economic activity was slower than expected.
Subdivision Capital Investment (by Energy+)	SYSTEM ACCESS	2015	\$729,000	1	2015	\$347,715.00	In 2015, 201 new single family, semi-detached and townhouse units were connected. The 2013 DSP forecasted the connection of 500 units. The actual number was 59.8% lower. The actual number is driven entirely by customer requests.
Industrial Subdivisions	SYSTEM ACCESS	2015	\$347,000	1	N/A	\$0.00	The Boxwood Industrial Subdivision was serviced by Energy+ in 2013. During the 1980's, 1990's and up to 2013, there was a significant amount of new industrial land being serviced. There has been no new industrial subdivisions developed in 2014, 2015, 2016 or 2017. As a result, the expected 2015 expenditure has not occurred. Energy+ has included the electrical servicing of future new industrial land in the 2018-2023 period based on plans of developers and the area municipalities. Development is very dependent on economic growth.
Servicing Industrial O/H	SYSTEM ACCESS	2015	\$250,000	1	2015	\$34,359.11	This project is entirely based on customer requests for new servicing/service upgrades. There was a significantly lower level of work in 2015 than forecasted in the 2013 DSP. New services are very dependent on economic growth.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
New Overhead Lines to Service Residential Subdivisions	SYSTEM ACCESS	2015	\$232,000	1	2015	\$0.00	The actual number of single family, semi-detached and townhouse residential units came in between 50% and 60% lower than anticipated in the 2013 DSP for 2014 and 2015. The reduced level of development was part of the reason that no new line extensions were required. Another factor was the location of new development. Except for the large Limerick Road area subdivision, existing lines were adjacent to the subdivisions that were developed. The line extension to the Limerick Road area subdivision was covered under a separate project entitled "Double Circuit Existing 27.6kV Line - Fountain St. (Shantz Hill to Dickie Settlement Road).	
27.6 kV Pole Line Rebuilds	SYSTEM RENEWAL	2015	\$1,860,000	6	N/A	\$0.00	This project was considered for the 2015 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Cambrian Hills Area (1975/76) - Winston/Gunn/Randall/Ashwood/Westbury/Grey Abbey/Rideau/Thomas/Erindale/Ivanhoe/Woodgate/Cottontail/Kribs Area - (presently 27.6kV)	SYSTEM RENEWAL	2015	\$1,131,600	13	2017	\$2,308,792.38	The Cambrian Hills underground rebuild project was included as one project in 2015 in the 2013 DSP but Energy+ decided to split it into two phases for construction. It was a large project supplying a total of 349 customers. Phase 1 was 195 customers and Phase 2 was 175 customers. The additional 21 customers as compared to the 2013 DSP estimate were due to additional work on Winston Boulevard for the school which is further discussed below. Phase 1 included Winston Boulevard, Westbury Crescent, Grey Abbey Trail, Rideau Gate, part of Thomas Street and part of Gunn Avenue. The 2015 capital budget amount for this Phase 1 work was \$565,800. Once detailed engineering was completed and the project was tendered, the estimated cost had risen to \$1,177,800. The tender price came in 11.1% above the pre-tender closing estimate. However, the largest part of the increase was due to a scope change. When the DSP was prepared in 2013 and the budget prepared in 2015, the plan had been to leave the three phase supply to a school on Winston Boulevard on the existing single phase residential primary feeds. That was how this type of three phase load within a residential subdivision was supplied in the 1970's. As detailed design was done, this choice was reviewed and it was decided to bring the three phase supply to the school up to present standards. This required an independent (from the residential customers) supply from Franklin Boulevard along Winston Boulevard. The main benefit was that any switching (both during construction and afterwards) would be easier because planned outages would not affect the supply of power to the school. As well, unplanned outages on the residential single phase loops would not affect the supply of power to the school. Phase 1 was tendered in July, 2015. Progress was slow and \$556,997.66 was spent in 2015. The remainder of the work was substantially completed in 2016 at an additional cost of \$804,846.04. The amount of \$1,677.00 for Phase 1 was spent in 2017. The total cost of Phase 1 was \$1,363,520.70. Phase 2 included part of Gunn Avenue, part of Thomas Street, Erindale Crescent, Ivanhoe Court, Woodgate Circle, part of Kribs Street, Cottontail Place and Ashwood Drive. The 2016 capital budget amount for this Phase 2 work was \$885,000. Once detailed engineering was completed and the project was tendered, the estimated cost was \$896,910.51. The tender price came in 4.8% above the pre-tender closing estimate. Phase 2 was tendered in March, 2016. The work was substantially completed on November 18, 2016. The amount of \$16,793.00 was spent in 2017. The total cost of Phase 2 was \$945,271.68. 75.3% more labour hours were required than estimated as a result of additional assistance to contractor required for pulling of cables and also for unexpected vault repairs. Overall, the project came in at \$2,308,792.38 versus a 2013 estimated cost of \$1,131,600 or 105% over budget.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
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Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Part of Spragues Road and Part of Alps Road (1950's to 1990's) (8kV) - 4.1km	SYSTEM RENEWAL	2015	\$660,300	4	2016	\$573,958.36	This project did not make the 2015 capital budget due to other priorities and to stay within the total 2015 spending limits. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area. However, this project was placed in the 2016 capital budget and engineering work began by an external engineering firm in late 2015. The 2015 costs are primarily for engineering. The work was issued to Energy+ crews in January, 2016 at an estimated cost of \$549,145.77 after detailed design engineering. The project was completed on October 28, 2016 at a total cost of \$573,958.36. The actual labour hours exceeded the estimate by 37%. The actual cost of the project was below the 2013 DSP estimate by \$86,341.64 or 13.1%. As well, external engineering added approximately \$29,700 to the cost since standard engineering burdens are applied to the work order in addition to external engineering costs. Internal engineering was assumed in 2013.

COMPARISON TO CND 2014 DSP (prepared in 2013)

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Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Highway 24 South of Maple Manor Road to Township Boundary/part of Lockie Road (mostly 1960's) (8kV) - 3.2km	SYSTEM RENEWAL	2015	\$520,800	9	N/A	\$35,302.39	This project rebuilds and converts to 27.6/16kV a 3.2km section of existing three phase 8.32kV and single phase 4.8kV line that has reached end of its life along Highway 24 South of Maple Manor Road to Lockie Road and part of Lockie Road. The project was not included in the 2015 capital budget given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area. \$520,800 was included in the 2016 capital budget for this project. In preparation for the project, Energy+ contacted the Ministry of Natural Resources and Forestry (MNRF) in the spring of 2015 to determine the environmental requirements to proceed with this work. The MNRF recommended a "Habitat Inventory" and an identification of "Species at Risk". In January, 2016, Energy+ retained Stantec to complete a Habitat and Vegetation survey of the area. The work was scheduled for June, 2016 since the trees needed to be out in leaf. Energy+ received the environmental report from Stantec in July, 2016. Field surveying (property lines, existing poles, road edge, etc.) work was done by Energy+ in 2016. In November, 2016, Energy+ retained NBM Engineering (NBM) to complete the rebuild design drawings. NBM completed the engineering design and approval was sought from the Ministry of Transportation (Ontario) (MTO) in March, 2017. Approvals were also required from Enbridge and Hydro One. Energy+ has been unable to get approval for the rebuild work from the MTO. The MTO is requesting new locations for sections of the existing line which require either private property or easements on private property. Energy+ does not have the right to expropriate land and	

COMPARISON TO CND 2014 DSP (prepared in 2013)

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Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
							some of the new locations would have an adverse effect on the private property of existing customers. Energy+ plans to continue to defer the project unless the MTO changes its position. It will manage the condition of the line with pole testing, inspection and spot pole replacements where necessary. Energy+ does not plan to replace the line in the 2018 to 2023 time period.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
(as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Hespeler Road between Kossuth Road and Black Bridge Road (1950) (8kV) - 2.5km	SYSTEM RENEWAL	2015	\$404,550	3	2016	\$542,686.93	This project rebuilt a 2.5km section of existing 8.32kV line that had reached end of life and converted it to 27.6kV. The project was not included in the 2015 capital budget given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year. After delays/cancellations of other capital projects, there were sufficient funds to start the project in 2015. The decision to start construction in 2015 was made in the summer of 2015. The engineering work was done externally by Stantec in 2015. The project was tendered in October, 2015 with pricing requested for both 2015 and 2016 completion. The pricing for 2016 completion was 52% of the cost of 2015 completion. Energy+ decided to take the savings, start the work in 2015 but accept delayed completion of the project until early 2016. The estimate after detailed engineering and tender submission was \$518,722.17. The work was completed on March 18, 2016. Overall, the cost was 34.1% above the 2013 DSP estimate of \$404,550. The average per km cost utilized in 2013 did not reflect the off road, sloping terrain of the project site which added to the cost. As well, external engineering added approximately \$66,000 to the cost since standard engineering burdens are applied to the work order in addition to external engineering costs. Internal engineering was assumed in 2013.

COMPARISON TO CND 2014 DSP (prepared in 2013)

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Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Speedsville Road from Maple Grove Road to South of Kossuth Rd (couple poles dating back to 1939, mostly 1965) (8kV) - 3.1km	SYSTEM RENEWAL	2015	\$381,300	11	2016	\$361,892.09	This project was considered for the 2015 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2016. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area. The project was included in the 2016 capital budget in an amount of \$381,300. The work was completed in November, 2016 at a cost of \$361,892.09 which was 5.1% below budget.

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Projects for which timing changed as a result of the 2014 CoS settlement

COMPARISON TO CND 2014 DSP (prepared in 2013)							Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.
Basis: Modified DSP Capital Plan (as per Cost of Service Settlement Reduction in Spring, 2014)							Projects for which timing changed as a result of the 2014 CoS settlement
2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Galt Core Area Upgrades	SYSTEM RENEWAL	2015	\$282,312	15	2015	\$167,073.73	This budget amount continues a program of upgrades in the Galt core area of Cambridge. The Galt core area has a high concentration of business customers who suffer a financial loss during power outages. There have been a number of unplanned outages in the Galt core area due to older equipment and the ongoing presence of water, salt and other debris in the underground system. The water table is high because the Galt core area is located in a low spot right next to the Grand River. There is also a lot of salt application and build-up of debris since it is a core area. Please refer to other years as well as this is an ongoing program. It has taken Energy+ longer than anticipated in the 2013 DSP to deliver on the upgrades. In 2014 and 2015, Energy+ needed to relocate a significant amount of equipment from its building at 12.5 Water Street South which is located in the Galt core area. The total cost of this work was \$333,606. Energy+ can only have so many distribution system abnormalities at a time in this compact area and it only has so many crews available to do this type of work. Therefore, the expenditures in 2014 and 2015 for the upgrades needed to be reduced in light of the unplanned 12.5 Water Street South relocation work. The core area work is also complicated by a lengthy process to relocate any equipment from below grade to above grade as available property is limited and by the difficulty in arranging power interruptions without inconveniencing the business customers. As a result of all these factors, the planned total of \$752,832 in spending on Galt Core Area Upgrades outlined in the 2013 DSP for years 2014 and 2015 has been stretched out to a longer period. \$221,648 was invested in 2014. \$167,074 was invested in 2015. \$408,676 was invested in 2016. \$375,190 was invested in 2017. Therefore, a total of \$1,172,588 has been invested between 2014 and 2017. \$282,312 was included in the Energy+ capital budget for both 2015 and 2016. \$244,700 was included in the 2017 Energy+ capital budget. \$132,000 is planned for 2018. \$132,000 is planned for 2019. \$212,000 is planned for 2020. \$212,000 is planned for 2021. \$261,000 is planned for 2022. \$261,000 is planned for 2023. It is an area where ongoing investment is required.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
West River Road past Alex Mills Subdivision(1950's to 1990's) (8kV) - 1.7km	SYSTEM RENEWAL	2015	\$279,000	5	2016	\$374,163.57	This project rebuilt a 1.7km section of existing 4.8kV line that had reached end of life and converted it to 16kV. The project was not included in the 2015 capital budget given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year. After delays/cancellations of other capital projects, there were sufficient funds to start the project in 2015. The decision to start construction in 2015 was made in the summer of 2015. The engineering work was done externally by Stantec. The project was started by Energy+ crews in December, 2015 and completed in May, 2016. The estimate after detailed engineering and tender submission was \$348,474.49. The work was completed on May 12, 2016. Overall, the cost was 34.1% above the 2013 DSP estimate of \$279,000. External engineering added approximately \$93,300 to the cost since standard engineering burdens are applied to the work order in addition to external engineering costs. Internal engineering was assumed in 2013. The external engineering costs were the main difference between the 2013 DSP estimate and the final cost.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Blair Road near Langdon Hall (1960's to 1990's) (8kV) - 1.7km	SYSTEM RENEWAL	2015	\$279,000	10	2016	\$191,686.00	Energy+ deferred the replacement of an existing overhead 4.8kV line on Blair Road with a new overhead 27.6/16kV line from the planned 2015 to 2016 as a result of other higher priorities. This project was considered for the 2015 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2016. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area. The project was included in the 2016 capital budget in an amount of \$381,300. The work was completed in November, 2016 at a cost of \$361,892.09 which was 5.1% below budget. The work was tendered in August, 2016. The tender came in 53% below estimate as a result of a shortage of work at the time for line contractors. Construction started in September, 2016 and finished on November 2, 2016. The actual cost of the project was substantially lower than the 2013 estimate due to exceptional contractor pricing and due to the fact that the last section of line could not be replaced until the road allowance is widened or an easement obtained as a result of municipal concerns about the proximity of the poles to the roadway.

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

COMPARISON TO CND 2014 DSP (prepared in 2013)							Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.
Basis: Modified DSP Capital Plan (as per Cost of Service Settlement Reduction in Spring, 2014)							Projects for which timing changed as a result of the 2014 CoS settlement
2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Middle Block Road from Fountain Street to Speedville Road (1950's) (8kV) - 2km	SYSTEM RENEWAL	2015	\$246,450	7	2016	\$283,926.00	Energy+ deferred the replacement of an existing overhead 4.8kV line on Middle Block Road with a new overhead 16kV line from the planned 2015 to 2016 as a result of other higher priorities. The 2013 pre-detailed design engineering estimate was \$246,450. Once detailed engineering was done, the estimate was \$316,046. Construction work started in March, 2016 and was completed in early May, 2016. The actual cost was \$283,926.00. The extremely wet ground in the area was a major challenge requiring pole cribs and a culvert installation at one location.
Southern Part of Chilligo Road and section of line South of Maple Grove Road (mostly 1957) (8kV) - 1.8km	SYSTEM RENEWAL	2015	\$241,800	8	N/A	\$0.00	Energy+ continues to defer the Chilligo Road rebuild project and manages the condition of the line with pole testing, inspection and spot pole replacements where necessary. The present line is in an off-road location. Energy+ does not wish to replace the line in its current inaccessible location given the level of investment required however the road allowance is very narrow and there are numerous trees which makes it difficult to move the line without impact to adjacent customers. Energy+ does not plan to replace the line in the 2018 to 2023 time period.
Limerick Road (1950) (8kV) - 13 customers - 1.5km Note: This project may be cancelled or substantially scaled back as a result of proposed draft plan of subdivision in the area.	SYSTEM RENEWAL	2015	\$241,800	12	2015	\$33,231.11	As identified as a possibility in the 2013 DSP, the development of the Limerick Road/Linden Drive residential subdivision substantially reduced the scope of this project as most of the overhead line was removed and replaced with underground servicing to the new residential homes.
Upgrades in various areas	SYSTEM RENEWAL	2015	\$486,600	14	N/A	\$0.00	The planned amount includes a deferred amount of \$243,300 from 2014 as part of Cost of Service Settlement. The intent of this project in the 2013 DSP was the replacement of underground equipment and cables that had reached end of life in various areas. Energy+ did not utilize this category in 2015 and instead identified specific areas in its 2015 budgeting process. Therefore, the expenditure was zero in 2015.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
PMH Switching Unit Replacements	SYSTEM RENEWAL	2015	\$168,000	16	2015	\$79,892.00	Both the 2013 DSP and the 2015 capital budget provided \$168,000 for the replacement of two PMH type 27.6kV switching units. Two PMH switching units were replaced in 2015. One switching unit was replaced on Langlaw Drive in Cambridge at a cost of \$79,892. That cost is reflected in the amount shown to the left. Another PMH switching unit was replaced on Elgin Street North in Cambridge as part of servicing to the new Women's and Children Crisis Centre on Acorn Way. Energy+ paid the \$80,000 cost of the switching unit replacement. It was preferable to change the switching unit out prior to the connection of an additional customer. The cost of the switching unit replacement is in the same work order as the new 500kVA transformer for the new customer which is shown under "Servicing Industrial - U/G". Therefore, it doesn't show up as a separate amount here. Nonetheless, total spending on PMH replacements in 2015 was \$159,892 which is 4.8% below the DSP and budgeted amount of \$168,000.	
Pole Replacements	SYSTEM RENEWAL	2015	\$127,500	1	2015	\$237,892.85	This work replaces poles that are at the end of their useful life. The poles are identified by pole testing, distribution system line patrols and the normal course of operation of the distribution system. In 2015, Energy+ tested 660 wood poles and eight of them were identified for immediate replacement. The rest of the poles that were changed were identified by line patrols or the normal course of operation of the distribution system. In some cases, poles very near to end of life were changed out when other work was planned on the pole to avoid doing the work twice within a very short time period (ie. install a new transformer or new underground riser on a new pole instead of on a pole that only has a few years of life remaining to avoid re-installation a short time later). Energy+ underestimated the budget requirement for this category in the 2013 DSP. At the same time in 2015, Energy+ deferred \$1.86 million in planned 27.6kV Pole Line Rebuilds so it isn't unexpected that there would be additional spot pole replacement expenditures. The additional amount spent is still well below the dollar value deferred.	
Avonlea/Earlwood/Briarwood Area	SYSTEM RENEWAL	2015	\$389,280	12	2017	\$656,336.00	Deferred from 2014 as part of Cost of Service Settlement. This project was considered for both the 2015 and 2016 capital budgets but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2017. This project was included in the 2017 capital budget in the amount of \$658,250. The actual cost was \$656,336. The large difference between budget/actual costs and the estimate prepared for the 2013 DSP reflects the substantial increase in construction costs for underground rebuilds since 2013 and the soil conditions in this neighbourhood.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
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Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Welsh Dr./Trussler Rd. Underground Rebuild	SYSTEM RENEWAL	2015	\$169,640	13	2017	\$393,244.00	Deferred from 2014 as part of Cost of Service Settlement. This project was considered for both the 2015 and 2016 capital budgets but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2017. This project was included in the 2017 capital budget in the amount of \$257,900. The actual cost was \$393,244. The large difference between actual cost and budget/2013 DSP estimate is a substantial increase in construction costs for underground rebuilds since 2013 as well as an insufficient budget cost per lot being utilized to reflect the large estate type lots in this neighbourhood as well as the required conversion of an existing section of overhead 4.8kV line to 16kV.	
SCADA Loadbreak Switches	SYSTEM SERVICE	2015	\$0	17	N/A	\$0.00	Deferred until 2016 as part of Cost of Service Settlement. The 2015 capital budget did not include any funding for SCADA switches as per the Cost of Service Settlement and no SCADA switch expenditures were made in 2015.	
Upgrade Radios/Controllers at Existing SCADA switch installations	SYSTEM SERVICE	2014	\$490,000	10	2018	\$921,886.05	Deferred from 2014 as per Cost of Service Settlement. \$200,000 was included in the Energy+ 2013 capital budget for the upgrade of radios/controllers at existing SCADA switch locations. The existing SCADA radio system was unreliable. \$148,504.76 was spent on the 2013 work to upgrade radios/controllers at seven existing SCADA switches and to install a new repeater on the water tower. In 2014, \$43,274.95 was spent on radio/controller upgrades and the addition of a new repeater near the community of Ayr in the Township of North Dumfries. The project was not included in the 2015 capital budget given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year. After delays/cancellations of other capital projects, there were sufficient funds to resume the project later in 2015. The original estimated total cost of \$400,000 was based on all Remote Terminal Units (RTU's) being swapped out like for like. However, the new "6800" series controllers could not be powered by the existing single potential transformer (PT) built into the switch. As a result, a separate 120 Volt ac source was required. In some cases, this was already available on the pole but in other cases secondary had to be extended and/or a transformer installed. This issue increased the project cost by about \$50,000 beyond estimate. Additional repeaters turned out to be required to establish reliable communication. This issue increased the project cost by about \$100,000 beyond estimate. The cost per upgrade increased from 2013 due to the significant drop in the value of the Canadian dollar versus the US dollar for US based components. No dollars were included in either the 2016, 2017 or 2018 capital budgets for the upgrade of radios/controllers.	

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Projects for which timing changed as a result of the 2014 CoS settlement

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2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
16kV Single Phase Reclosers	SYSTEM SERVICE	2015	\$198,700	14	N/A	\$0.00	Deferred from 2014 as per Cost of Service Settlement. Energy+ did not proceed with additional single phase recloser work in 2014 beyond the \$106,173.94 for installation of the 2013 reclosers. Energy+ did a further review of the proposed total of twenty locations. After the first ten reclosers were installed in 2014 (from the 2013 capital budget), the benefits to customers of additional reclosers substantially dropped off due to lower customer counts per recloser. Therefore, Energy+ did not think that it was worthwhile to proceed with the second phase of recloser installations in 2015. No 2015 expenditure was made.
Subdivision Capital Investment (by developer)	SYSTEM ACCESS	2016	\$1,271,000	1	2016	\$1,172,571	In 2016, 207 new single family, semi-detached and townhouse units were connected. The timing of assumption of developer installed assets does not line up with individual service connections. Therefore, there is a lag between service connections and assumption of subdivision assets. Growth in 2016 was lower than expected. The 2013 DSP forecasted the connection of 500 units. The actual number was 58.6% lower. The actual number is driven entirely by customer requests.
Servicing Industrial U/G	SYSTEM ACCESS	2016	\$1,000,000	1	2016	\$1,145,929	The level of underground industrial servicing (primarily three phase padmount transformers) in 2016 was 14.6% greater than anticipated in 2013. This category is entirely based on customer requests. Economic activity was higher than expected.
Subdivision Capital Investment (by Energy+)	SYSTEM ACCESS	2016	\$729,000	1	2016	\$416,070	In 2016, 207 new single family, semi-detached and townhouse units were connected. The 2013 DSP forecasted the connection of 500 units. The actual number was 58.6% lower. The actual number is driven entirely by customer requests.
New Overhead Lines to Accommodate Industrial Growth	SYSTEM ACCESS	2016	\$464,000	1	N/A	\$0	Industrial growth in the Cambridge area has been much slower than anticipated in the 2013 DSP. The last industrial subdivision serviced in Cambridge was in 2013 (Boxwood) and it isn't yet fully occupied. This is a major change from the historical pattern and is a large part of the reason for the substantial difference in forecasted load growth versus actual load in the DSP period. There wasn't a reason to extend 27.6kV distribution lines to new industrial subdivisions so Energy+ deferred the work until there was a customer need.
Servicing Industrial O/H	SYSTEM ACCESS	2016	\$250,000	1	2016	\$147,398	This project is entirely based on customer requests for new servicing/service upgrades. There was a lower level of work in 2016 than forecasted in the 2013 DSP.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
Renewable Energy Projects	SYSTEM ACCESS	2016	\$237,500	1	N/A	\$0	No Renewable Energy expenditures were made in 2016. The \$237,500 identified in the 2013 DSP was intended to cover the cost of transfer trip/ protection changes for a proposed 1.2MW hydro generation project at the Parkhill Dam in Cambridge. The proponent was unable to secure a contract for a 1.2MW project. The project was downsized and obtained a contract under FIT 4.0 in 2016. The project has still not proceeded. Expenditures in this category are based on customer requests.		
27.6 kV Pole Line Rebuilds	SYSTEM RENEWAL	2016	\$1,860,000	2	N/A	\$0	This project was considered for the 2016 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area.		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
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Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
Blenheim Road - Three Phase Overhead Line from West of Brown's Subdivision to Saw Mill - 2km plus addition of two phases for 1km	SYSTEM RENEWAL	2016	\$697,500	3	N/A	\$0	This project rebuilds an existing overhead line that has reached end of life and also provides a backfeed for future planned residential development on the West side of Cambridge. The existing road is proposed to be realigned with the future development. Energy+ continues to extend the life of the line rather than rebuild and then have to relocate. The future development is still going through municipal approvals. Energy+ has re-budgeted this project in 2022.
Holm St./Gillespie Ct./Foxridge Dr./Barnicke Dr. (1978) - (presently 27.6kV)	SYSTEM RENEWAL	2016	\$349,320	4	N/A	\$360	This project was considered for the 2016 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2017. The project was included in the 2017 capital budget. The engineering design was completed and the project was tendered. The project was deferred for construction in the summer of 2017 since funding was required for other projects including the immediate wood pole replacements in the Brant area as determined by pole testing. Energy+ re-evaluated the timing of this project in the context of the System Renewal requirements in the Brant area, the Asset Condition Assessment and the limits on overall capital spending. As a result, this project has been re-budgeted in the year 2020.
Upgrades in various areas	SYSTEM RENEWAL	2016	\$243,300	6	N/A	\$0	The intent of this project in the 2013 DSP was the replacement of underground equipment and cables that had reached end of life in various areas. Energy+ did not utilize this category in 2016 and instead identified specific areas in its 2016 budgeting process. Therefore, the expenditure was zero in 2016.
Lang's Circle (1978) - (presently 27.6kV)	SYSTEM RENEWAL	2016	\$196,800	5	2017	\$354,436	This project was considered for the 2016 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2017. The project was completed in 2017. Construction costs for underground rebuilds have increased significantly since 2013.

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2014 CND DSP Forecast (as per Settlement Reduction)					Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation
PMH Switching Unit Replacements	SYSTEM RENEWAL	2016	\$168,000	8	2016	\$116,334	Both the 2013 DSP and the 2016 capital budget provided \$168,000 for the replacement of two PMH type 27.6kV switching units. Two PMH switching units were replaced in 2016. One switching unit was replaced on Saginaw Parkway in Cambridge at a cost of \$31,787. The cost of the switching unit is not included in the cost shown since it came from Brant County Power and was already capitalized. The value of the switch (\$36,327.23) was transferred on June 30, 2017 from Brant (4-2000-1845-101) to CND (2-2000-1845-101). Therefore, the actual expenditure shown came in well below budget. Another PMH switching unit was replaced on Burnett Avenue in Cambridge at a cost of \$84,548.
Cindy Avenue (1977) - (presently 27.6kV)	SYSTEM RENEWAL	2016	\$167,280	7	N/A	\$7,665	This project was considered for the 2016 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred until 2017. The project was included in the 2017 capital budget. The engineering design was completed. The project was deferred for construction in the summer of 2017 since funding was required for other projects including the immediate wood pole replacements in the Brant area as determined by pole testing. The project was re-budgeted again in 2018 but has once again been deferred due to other project priorities.
SCADA Loadbreak Switches	SYSTEM SERVICE	2016	\$573,200	9	2016	\$328,624	The planned amount includes a deferred amount of \$286,600 from 2015 as part of Cost of Service Settlement. This full planned amount of \$573,200 (10 switches) was considered for the 2016 capital budget but given the priorities of other projects especially in the Brant area and the requirement to manage the total value of capital expenditures in each year the project was reduced to five switches with a 2016 capital budget amount of \$336,600. The cost per switch had increased from 2013 due to the significant drop in the value of the Canadian dollar versus the US dollar for US based components. The final cost of the project came in 2.4% below the 2016 capital budget amount.
Subdivision Capital Investment (by developer)	SYSTEM ACCESS	2017	\$1,271,000	1	2017	\$988,022	In 2017, 303 new single family, semi-detached and townhouse units were connected. The timing of assumption of developer installed assets does not line up with individual service connections. Therefore, there is a lag between service connections and assumption of subdivision assets. Growth in 2017 was lower than expected. The 2013 DSP forecasted the connection of 500 units. The actual number was 39.4% lower. The actual number is driven entirely by customer requests. A greater number of housing units are now in the form of high rise condominium/apartment buildings which fall under Servicing Industrial since the buildings are supplied with three phase padmount transformers.

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Servicing Industrial U/G	SYSTEM ACCESS	2017	\$1,000,000	1	2017	\$815,050	The level of underground industrial servicing (primarily three phase padmount transformers) in 2016 was 18.5% less than anticipated in 2013. Expenditures are completely based on customer requests.	
Subdivision Capital Investment (by Energy+)	SYSTEM ACCESS	2017	\$729,000	1	2017	\$604,893	The amount represents Energy+'s contribution to developer installed residential subdivisions as per its Economic Evaluation Policy. The actual number is driven entirely by customer requests.	
Industrial Subdivisions	SYSTEM ACCESS	2017	\$347,000	1	N/A	\$0	The Boxwood Industrial Subdivision was serviced by Energy+ in 2013. During the 1980's, 1990's and up to 2013, there was a significant amount of new industrial land being serviced. There has been no new industrial subdivisions developed in 2014, 2015, 2016 or 2017. As a result, the expected 2015 expenditure has not occurred. Energy+ has included the electrical servicing of future new industrial land in the 2018-2023 period based on plans of developers and the area municipalities. Development is very dependent on economic growth. An industrial subdivision (Creekside Corporate Campus) was budgeted in 2017 in the amount of \$500,000 but did not proceed.	
Servicing Industrial O/H	SYSTEM ACCESS	2017	\$250,000	1	2017	\$144,203	This project is entirely based on customer requests for new servicing/service upgrades. There was a significantly lower level of work seen in 2017 than forecasted in the 2013 DSP. New services are very dependent on economic growth.	
New Overhead Lines to Service Residential Subdivisions	SYSTEM ACCESS	2017	\$232,000	1	N/A	\$0	There has been a decline in actual numbers of single family, semi-detached and townhouse residential units as compared to what was forecasted in the 2013 DSP. The reduced level of development is part of the reason that no new line extensions were required. Another factor is the location of new development. New subdivisions have been located adjacent to existing lines thus eliminating the need for line extensions.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

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(as per Cost of Service Settlement Reduction in Spring, 2014)

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2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
27.6 kV Pole Line Rebuilds	SYSTEM RENEWAL	2017	\$1,860,000	2	N/A	\$0	This project was considered for the 2017 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was deferred. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area.		
Byton Lane, part of Grand Ridge Drive, Mark Crescent, Johanna Drive, Duchess Drive, Angela Crescent, part of Wedgewood Drive, part of Delavan Drive, part of Birchlawn Avenue (1977-1979) - (presently 27.6kV)	SYSTEM RENEWAL	2017	\$1,082,400	3	N/A	\$1,032,266	This project was advanced to 2016 with \$1,082,400 included in the 2016 capital budget for Part 1 of 2. The project was tendered in July, 2016. Progress was slow as a result of rocky soil conditions. Directional drilling could not be used for many sections. Work carried over into 2017 for Part 1. \$756,500 was budgeted in 2017 for Part 2 but work was deferred to offset pole replacement costs in the Brant area. Underground rebuild costs per lot continued to be well above what was estimated in the 2013 DSP. Part 2 was rebudgeted in the 2018 capital budget in the amount of \$713,300. Work is underway and will be complete in November, 2018. Similar rocky soil conditions have resulted in more open trenching (versus boring) which increases overall costs as a result of greater restoration costs (driveway ramps and grass).		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
(as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Upgrades in various areas	SYSTEM RENEWAL	2017	\$243,300	4	N/A	\$0	The intent of this project in the 2013 DSP was the replacement of underground equipment and cables that had reached end of life in various areas. Energy+ did not utilize this category in 2017 and instead identified specific areas in its 2017 budgeting process. Therefore, the expenditure was zero in 2017.	
PMH Switching Unit Replacements	SYSTEM RENEWAL	2017	\$168,000	5	2018	\$215,079	\$168,000 was included in the 2017 capital budget to replace two PMH switching units. One replacement was completed in 2017. The second replacement was not done until early 2018. The largest single cost on the PMH switching unit replacement work orders is the cost to purchase the replacement switching unit which is manufactured in the USA. When the DSP was being prepared in 2013, the value of the Canadian dollar was around \$0.97 US. It is presently around \$0.77 US. The drop in the value of the Canadian dollar has increased the cost of USA based equipment for Energy+. Labour rates have escalated each year since estimates were prepared in 2013.	
SCADA Load break Switches (5)	SYSTEM SERVICE	2017	\$286,600	6	N/A	\$0	This project was considered for the 2017 capital budget but given the priorities of other projects especially System Renewal in the Brant area and the requirement to manage the total value of capital expenditures in each year the project was deferred.	
Subdivision Capital Investment (by developer)	SYSTEM ACCESS	2018	\$1,271,000	1	N/A	\$106,757	<p>Note: The figures for this line are as of April 30, 2018. As of April 30, 2018, 203 new single family, semi-detached and townhouse units were connected. The timing of assumption of developer installed assets does not line up with individual service connections. Therefore, there is a lag between service connections and assumption of subdivision assets. Growth in 2018 for this category is on a pace that is stronger than expected in the 2013 DSP. The 2013 DSP forecasted the connection of 500 units for the whole year. The actual number is driven entirely by customer requests. A greater number of housing units are now in the form of high rise condominium/apartment buildings which fall under Servicing Industrial since the buildings are supplied with three phase padmount transformers.</p> <p>Note: \$1,500,000 in Subdivisions energized as of June 30th, 2018 and to be recorded in the third quarter.</p>	
Servicing Industrial Underground	SYSTEM ACCESS	2018	\$1,000,000	1	N/A	\$274,473	The level of underground industrial servicing (primarily three phase padmount transformers) in 2018 is so far running behind levels anticipated in 2013. Expenditures are completely based on customer requests. Often activity is higher later in a calendar year as connections take place after building construction in the spring/summer/fall.	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
(as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
Subdivision Capital Investment (by Energy+)	SYSTEM ACCESS	2018	\$729,000	1	N/A	\$403,767	As of April 30, 2018, 203 new single family, semi-detached and townhouse units were connected. The timing of assumption of developer installed assets does not line up with individual service connections. Therefore, there is a lag between service connections and assumption of subdivision assets. Growth in 2018 for this category is on a pace that is stronger than expected in the 2013 DSP. The 2013 DSP forecasted the connection of 500 units for the whole year. The actual number is driven entirely by customer requests. A greater number of housing units are now in the form of high rise condominium/apartment buildings which fall under Servicing Industrial since the buildings are supplied with three phase padmount transformers.		
Servicing Industrial Overhead	SYSTEM ACCESS	2018	\$250,000	1	N/A	\$57,600	This project is entirely based on customer requests for new servicing/service upgrades. There has been a significantly lower level of work activity so far in 2018 than forecasted in the 2013 DSP. New services are very dependent on economic growth.		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
 (as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
27.6 kV Pole Line Rebuilds	SYSTEM RENEWAL	2018	\$1,860,000	2	2,018	\$296,237	This project was considered for the 2018 capital budget but given the priorities of other projects and the requirement to manage the total value of capital expenditures in each year the project was substantially reduced. Energy+ budgeted \$328,250 in 2018 to rebuild the existing 27.6kV line on and behind Queen Street West from Shepherd Avenue to Guelph Avenue in Cambridge due to condition. Engineering work was completed in 2017. The Brant County Power acquisition closed on November 28, 2014. Energy+ needed to consider the capital requirements of both the CND area and the Brant area in 2015 and going forward. Energy+ knew that significant System Renewal capital would be required in the Brant area. Average annual System Renewal expenditures in the Brant area for the period from 2011 to 2014 were \$600,683. Energy+ increased System Renewal spending in the Brant area to \$1,062,873 in 2015, \$2,714,348 in 2016 and \$5,917,440 in 2017 based upon its review of what was required and the relative priority as compared to planned CND area System Renewal projects in the 2013 DSP. Energy+ deferred some planned CND area System Renewal projects over multiple years in order to make financial resources available for the Brant area. Energy+ was mindful of future rate impacts to customers if it fully spent the CND DSP at the same time as it substantially increased capital spending in the Brant area. Energy+ could also not ignore the greater System Renewal requirements in the Brant area as compared to the CND area in terms of distribution system condition until it rebased. Therefore, Energy+ cut back on planned System Renewal spending in the CND area and increased System Renewal spending in the Brant area.		
Scott Rd./Nickolas Cr./Nora Ct./Limpert Ave./Trinder Ct. (1979/1981) - (presently 27.6kV)	SYSTEM RENEWAL	2018	\$432,960	6	N/A	\$29,670	This project was considered for the 2018 capital budget but given the priorities of other projects especially in the Brant area, the results of the Asset Condition Assessment and the requirement to manage the total value of capital expenditures in each year the project was deferred. The engineering design was completed in 2017. This project has been re-budgeted in the year 2021.		
Upgrades in various areas	SYSTEM RENEWAL	2018	\$243,300	4	N/A	\$0	The intent of this project in the 2013 DSP was the replacement of underground equipment and cables that had reached end of life in various areas. Energy+ did not utilize this category in 2018 and instead identified specific areas in its 2018 budgeting process. Therefore, the expenditure will be zero in 2018.		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
(as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual	Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation	
Stirling MacGregor Dr., Dalkeith Dr. (1978) - 66 customers (presently 27.6kV)	SYSTEM RENEWAL	2018	\$211,560	3	N/A	\$25,258	This project was considered for the 2018 capital budget but given the priorities of other projects especially in the Brant area, the results of the Asset Condition Assessment and the requirement to manage the total value of capital expenditures in each year the project was deferred. The engineering design was completed in 2017. This project has been re-budgeted in the year 2020.	
Bluerock Crescent (1979) - 60 customers (presently 27.6kV)	SYSTEM RENEWAL	2018	\$196,800	5	N/A	\$26,372	This project was considered for the 2018 capital budget but given the priorities of other projects especially in the Brant area, the results of the Asset Condition Assessment and the requirement to manage the total value of capital expenditures in each year the project was deferred. The engineering design was completed in 2017. This project has been re-budgeted in the year 2019.	
PMH Switching Unit Replacements	SYSTEM RENEWAL	2018	\$168,000	7	N/A	\$0	\$85,000 was budgeted in 2018 for the replacement of one PMH switching unit. The number was reduced from the two switching units outlined in the 2013 DSP as a result of other System Renewal priorities especially in the Brant area, the results of the Asset Condition Assessment and the overall capital spending limit. One of the 2017 PMH switching unit replacements carried over into 2018. Energy+ decided not to replace an additional unit in 2018 to contain overall 2018 capital spending. Refer to 2017 project for 2018 spending.	
New Cambridge MTS#2 (115kV - 27.6kV) - Four 27.6 kV Feeders Initially complete with required overhead and underground feeder work.	SYSTEM SERVICE	2018	\$16,500,000	1	N/A	\$58,489	The \$50,000 expenditure in 2014 was for a Hydro One Connection Study to determine the feasibility of a 115kV connection in the North West area of Cambridge. The \$8,489 expenditure to date in 2018 is for Class Environmental Study work being undertaken for MTS#2. The load growth did not justify construction of MTS#2 in 2018. Studies are being done and land acquired in advance of the requirement date to reduce the time required to gain additional capacity if needed by customer(s).	

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
(as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2014 CND DSP Forecast (as per Settlement Reduction)							Actual		Variance
Budget Item/Description	Classification	Forecast Year to be undertaken	Budget Amount (excluding removal costs)	Priority (from original DSP in planned project year)	Year Completed	Actual Cost	Variance Explanation		
SCADA Loadbreak Switches (5)	SYSTEM SERVICE	2018	\$286,600	8	N/A	\$63,848	Energy+ has budgeted the installation of three overhead SCADA switches in 2018. Two are planned for the Brant area and one is planned for the CND area. Energy+ lowered the number from the five planned for 2018 in the 2013 DSP due to other priorities especially in light of required Brant area System Renewal investments, overall capital spending limits and the results of the Asset Condition Assessment. The cost of the switches/controllers has also increased significantly since 2013 as a result of the fall of the value of the Canadian dollar in US dollar terms from \$0.97 to \$0.77.		

COMPARISON TO CND 2014 DSP (prepared in 2013)

Basis: Modified DSP Capital Plan
(as per Cost of Service Settlement Reduction in Spring, 2014)

Note: Actual costs are for the period between January 1, 2014 and June 30, 2018 unless otherwise noted.

Projects for which timing changed as a result of the 2014 CoS settlement

2-SEC-15

INTERROGATORY

Ref: Appendix 2-AB

What is the basis for the 'plan' amount for years 2014 to 2017?

RESPONSE

Appendix 2-AB depicts the historical and forecast capital expenditures and system O&M costs. As noted in Exhibit 2, Table 2-28: Capital Expenditure Summary Appendix 2-AB, Note 3 indicates that:

The "Plan" equals "Budget"

Budget is comprised of: (i) for 2014-2015 – Annual budgets for the former CND and BCP; and (ii) 2016-2018 represents Budget for Energy+ Inc.

2-SEC-16

INTERROGATORY

Ref: Appendix 2-AB

Please confirm the 2020 capital expenditure information in Appendix 2-AB does not include the proposed 2020 ACM expenditures.

RESPONSE

Energy+ included \$5,000,000 in general plant in the “As filed Appendix 2-AB” in the year 2020 in relation to the facilities expenditures with respect to the new Administrative facilities, as this represented Energy+’s planned expenditures as outlined in the Distribution System Capital Plan. This expenditure was identified in the ACM in 2020.

It is Energy+’s understanding that the capital expenditures as outlined in the Distribution System Capital Plan are the total capital expenditures forecast by the distributor by year over the five year period and that it should include all planned capital expenditures, including those expenditures identified for an ACM. This is also consistent with the Report of the Board “New Policy Options for the Funding of Capital Investments: The Advanced Capital Module”, whereby the determination of the maximum allowance incremental capital amount is determined by taking the difference between the forecasted total capital expenditures for a subject year and the materiality threshold for that year.¹

Energy+ notes that it has revised Appendix 2-AB and the ACM Model in Response to Interrogatory 2-Staff-12 f) and 2-Staff-15 f).

¹ Report of the Board “New Policy Options for the Funding of Capital Investments: The Advanced Capital Module, Section 6.1, September 18, 2014, Pg. 22.

2-SEC-17
INTERROGATORY

Ref: Appendix 2, p.181

For each asset class, please provide the number of assets replaced for each between 2014 and 2017, and the forecast number to be replaced each year between 2018 and 2023.

RESPONSE

For each asset class, the number of assets replaced between 2014 and 2017, and the forecast number to be replaced each year between 2018 and 2023, are shown in Table 2-SEC-17, below.

Table 2-SEC-17: Number of Assets Replaced by Class

Asset Replacement										
Asset Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Station transformers and LTCs combined	0	0	0	0	0	0	0	0	0	0
Station circuit breakers	0	0	0	0	0	0	0	0	0	0
Voltage regulators	0	0	0	0	0	0	0	0	0	0
Capacitors	0	0	0	0	0	0	0	0	0	0
Overhead line switches	6	8	3	1	4	1	2	1	1	2
Overhead line reclosers	0	0	0	0	0	0	0	0	0	0
Single-phase pole-mounted transformers	62	111	105	116	101	108	126	119	192	182
Three-phase pole-mounted transformers	14	18	36	42	23	29	17	26	17	26
Wood poles (Cambridge and Brant)	519	477	420	470	422	468	411	406	696	693
Concrete poles	12	30	37	43	9	1	20	1	3	3
Steel poles	0	0	0	1	0	0	0	0	0	0
Single-phase pad-mounted transformers	28	45	59	64	51	38	59	71	38	61
Three-phase pad-mounted transformers	5	5	11	8	8	8	8	9	8	8
Primary switching units	0	2	2	1	1	1	2	3	3	3
Vault transformers	8	9	4	3	0	0	0	0	0	0
Submersible single-phase transformers	13	10	3	36	1	8	15	3	4	4
Primary single-phase cables (Cambridge & Brant)	3.26	4.51	8.08	7.07	2.30	3.70	5.43	5.78	0.00	1.70
Primary three-phase cables (Cambridge & Brant)	0.17	1.71	1.17	3.40	0.00	1.50	1.40	1.50	0.65	0.65
		The asset categories highlighted in yellow include CND information only as historical data for transformers in the Brant area was incomplete.								

2-SEC-18

INTERROGATORY

Ref: Ex. 4, Appendix 2-AA

Please add a column showing 2018 year-to-date actuals.

RESPONSE

Energy+ has added a column showing the June 30, 2018 year to date actuals to the Appendix 2-AA spreadsheet in the file "2019 EnergyPlus Chapter2 Appendices Updated for June 30_18 YTD_IRR.xlsx". Please refer to the tab "App.2-AA Capital Proj 2-SEC-18.

Please refer to Response to Interrogatory 1-Staff-10 b) with respect to updates to the 2017 Actuals.

Please refer to Response to Interrogatory 1-Staff-12 f) and 1-Staff-15 f) with respect to the Facilities Plans.

2-SEC-19

INTERROGATORY

Ref: Ex.2

Please describe how the Applicant forecasts the cost of individual capital projects. Please provide the status of all material 2018 capital project and their forecast in-service date.

RESPONSE

Energy+ forecasts the cost of individual capital projects in several ways.

For System Access projects, Energy+ does not typically have detailed cost estimates available in advance unless the project has been deferred from a previous year. Cost estimates of projects to service new customers depend significantly on the forecasted level of growth. Energy+ communicates regularly with municipalities in its service area to have the best information available. Energy+ relies on historical cost per unit. For road relocation projects, the final roadway plans are often not available at the time of budgeting. Therefore, Energy+ must make its budget cost estimate on a preliminary roadway design using historical costs per pole.

For System Renewal projects, Energy+ is now doing the engineering work in the year prior to construction. Therefore, actual detailed cost estimates are available for System Renewal projects in the following year. For overhead System Renewal projects where a detailed cost estimate is not yet available, Energy+ utilizes benchmark costs per km based on historical experience. For overhead three phase rebuilds, Energy+ uses a figure of \$222,500 per km. For overhead single phase rebuilds, Energy+ uses a figure of \$159,000 per km. Adjustments to benchmark costs are made for known significant expected variations from benchmark costs. For underground rebuilds, Energy+ uses a benchmark cost of \$5,600 per customer. Again, adjustments are made for known significant variations from benchmark costs.

For System Service projects, Energy+ typically prepares its cost estimates based on historical costs for similar projects. For unique items such as MTS#2, Energy+ obtains expected costs and puts together a specific cost estimate.

For General Plant projects, Energy+ obtains individual cost estimates from vendors or from past purchases to prepare the cost figures in its capital plan.

The status of all material 2018 capital projects and their forecast in-service date is shown in Table 1-SEC-19, below.

Table 2-SEC-19: 2018 Capital Project Status

2018 Material Projects (Note: Materiality threshold is \$175,000)	2018		
System Access		Status	Forecast In-service Date
Service Industrial (Underground)	1,193,500	Underway. Installations occur throughout the year based on customer requests.	Q1/Q2/Q3/Q4, 2018
Subdivision Capital Investment (by developer)	935,115	Underway. Installations occur throughout the year by developers.	Q1/Q2/Q3/Q4, 2018
Relocations - Fountain St. (Cherry Blossom to Kossuth) (Region of Waterloo)	1,170,000	Deferred to 2019 or later. This project was scheduled to begin in late Q1, 2018. Engineering work for required relocations was completed but the Region of Waterloo is reviewing the road project. It may be split up into two parts.	2019 or later
Powerline Road from Rest Acres Rd to Mile Hill Road - 0.6KM OH to UG Conversion	695,000	Construction is starting in September. The scope of the project changed significantly. It is no longer an underground conversion for Energy+. It is now an overhead relocation project.	October, 2018
Creekside Corporate Campus (adjacent to Highway #8)	300,000	Deferred to 2019. The registration of the plan for this industrial subdivision has been delayed. The timing is determined by the developer.	2019
Relocations - Adam/Queen/Guelph Intersection	201,000	Almost complete.	September, 2018
System Renewal			
Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Cocksfoot Road from Sour Springs Road to River Road & McGill Road from Cocksfoot Road to 2km West of Cocksfoot Road (72 Poles Removed) - 3.3km - Brant Area	964,000	Construction is starting in September. The engineering design is complete. The project is staked and ready to begin.	December, 2018
Grand Ridge Drive Area Underground Rebuild (1977-1979) - (presently 27.6kV)	713,300	Underway.	November, 2018
Pole Replacements	833,200	Underway. Pole replacements occur throughout the year.	Q1/Q2/Q3/Q4, 2018
Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Burth Road from West of Biggars Lane to Cocksfoot Road (53 Poles Removed) - 2.7km - Brant Area	611,000	Engineering work has been done. Minor changes are being made as part of municipal approval process. Construction will begin in October, 2018.	December, 2018
Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Cocksfoot Road from Burth Road to Sour Springs Road (43 Poles Removed) - 2.2km - Brant Area	635,800	Deferred to 2019. This project has been deferred until 2019 to allow the unbudgeted overhead rebuild on Colborne Street East to proceed. The Colborne Street East project was advanced from its original schedule to address load growth/system capacity in that area.	2019
Line Transformers Capitalized	450,000	Ongoing throughout the year. This project is the replacement of transformers due to damage or failure.	Q1/Q2/Q3/Q4, 2018
Rebuild existing 27.6kV line on and behind Queen Street West from Shepherd Avenue to Guelph Avenue (20 Poles Removed) - CND Area - 1.6 km	328,250	Complete.	July, 2018
Porcelain Insulator Replacements with Polymer	317,000	Ongoing. Insulators are replaced throughout the year.	Q1/Q2/Q3/Q4, 2018
Cindy Avenue (1977) - 52 customers (presently 27.6kV)	281,000	Deferred to 2019. This project has been deferred until 2019 to allow the unbudgeted overhead rebuild on Colborne Street East to proceed. The Colborne Street East project was advanced from its original schedule to address load growth/system capacity in that area.	2019
Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Colborne Street East from McCabe Bay to Madden (Segment 1) and from Madden to White Swan (Segment 2) - Brant Area	1,232,330	The Colborne St. E rebuild was an unbudgeted project that was advanced to address a system capacity issue. Its cost was offset by other project deferrals.	September, 2018
System Service			
Grade-Mode Switches	240,000	The 500-amp switches have been received. Installations will occur in Q4, 2018.	Q4, 2018
Hydro One AACE Class 3 Estimate for MTS # 2	276,000	Deferred to 2019. This project has been deferred until 2019 to allow the unbudgeted overhead rebuild on Colborne Street East to proceed. The Colborne Street East project was advanced from its original schedule to address load growth/system capacity in that area.	2019
Purchase of Land for new Transformer Station (MTS#2)	1,650,000	Purchase Offer for the land has been made and accepted. Closing is expected to occur in Q1, 2019.	Q1, 2019
General Plant			
Meters (Reallocated to System Access commencing in 2019); General Plant 2014-2018 to be consistent with DSP	408,242	Ongoing throughout the year.	Q1/Q2/Q3/Q4, 2018
Meters (MIST Program) - 2018 Installations	416,000	Underway.	Q3/Q4, 2018
Computer Software - Other - Upgrades/Renewals	384,200	Ongoing throughout the year.	Q1/Q2/Q3/Q4, 2018
Computer Hardware - Asset Replacement Program - End of Life	168,000	Ongoing throughout the year.	Q1/Q2/Q3/Q4, 2018

2-SEC-20

INTERROGATORY

Ref: Ex.2, p.87

The Applicant states: "In 2022, Energy+ has included an additional \$2M in the DSP as an estimate of costs for the renovation of the existing Bishop Street operations facility that was originally built in the early 1980's. At this time, the estimated cost for these renovations is too preliminary and therefore has not been included as part of the ACM." Is it the intent of the Applicant to seek an ICM for the renovation of the Bishop Street facility?

RESPONSE

At this time, it is not Energy+'s intention to seek an ICM for the renovation of the Bishop St. facility. In light of the changes in the Facilities Plan schedules (both the shared facilities with Brantford Power Inc. and the schedule for the new administrative building) as outlined in Responses to Interrogatories 2-Staff-12 and 2-Staff-15, Energy+ has removed the \$2MM in costs from 2022 related to the Bishop St. renovations.

2-SEC-21

INTERROGATORY

Ref: Ex.2, p.118

The evidence states that the Applicant forecasts to achieve \$1,197M in cumulative savings from the acquisition and amalgamation. SEC understands Table 2-3 to show a breakdown of the various components of the calculation. Please provide a further breakdown, showing for each category of synergy, the actual amount and the baseline amount used to calculate the savings. Please provide the basis for the baseline calculation.

RESPONSE

Energy+ utilized the actual amount of savings achieved in Table 2-3.

Table 1 below provides a description of the assumptions and/or basis for the baseline computation, the actual savings in each year, and how the cumulative annual savings amounts were derived.

In Table 2, Energy+ has provided the further details/computations for the Wage and Salary Savings and the incremental wage increases for the cumulative annual savings and indicated the baseline information utilized.

Table 1: Description of Assumptions/Baseline Used in Computing Annualized Savings

Summary of Cumulative Annual Operating Synergies	Baseline	Achieved Savings/(Cost) in the Year	Cumulative Annual Savings
Wage/Salary Savings - Reduction in Full-Time Equivalent Positions/Elimination of Vacancies	Actual annual base salary at the time the position was eliminated. Example: If the position was eliminated in 2014, only the portion of 2014 that the position was eliminated would be included for that year as savings. For 2015, the full amount of the salary/wage at the time the position became vacant was utilized.	Amount of actual base salary for that year that was saved as a result of the position being eliminated. Pro-rated for the number of months in the year that it was eliminated.	Amount of actual base salary for that position, based on the salary at the time the position was eliminated. Therefore, if position was eliminated in 2015, the cumulative annual savings would be the annual salary for that position based on 2015.
Incremental wage increases to align Collective Agreements/Wage Grades	Unionized Employees - Baseline was PWU Collective Agreement, which expired March 31, 2015. Negotiated new agreement effective April 1, 2015. Agreement included moving hourly wage rates for PLTs and Meter Technician closer to IBEW rates. Baseline was computed based on the negotiated difference in the hourly rates for these positions.	Incremental cost was computed based on the number of employee hours between April 1, 2015 and December 31, 2015 multiplied by the increase in the rates, as noted for the baseline, multiplied by the number of employees in that job classification.	Amount of the incremental cost as computed in "Achieved Savings/(Cost) in the Year. This was considered a one-time cost and therefore the cumulative annual cost was determined to be equal to the computed one-time cost.
	Inside Employees for former BCP were non-union. On April 1, 2015, the former BCP wages were partially aligned to CND hourly wages based on the alignment of the positions to the IBEW position classifications. Further alignment was completed September 14, 2015, when all inside workers were incorporated into the IBEW Collective Agreement. The computation of the baseline increase in costs was based on the new hourly rates less the existing hourly rates for each employee.	Incremental cost was computed based on the number of weeks between April 1, 2015 and December 31, 2015 multiplied by the increase in the rates, as noted for the baseline, per employee.	Amount of the annual increase in wages for the former BCP inside employees based on full-year impact of 2015 wage adjustment.
Reduction in Benefit Costs due to reduction in FTEs	Used 35% as the percentage of benefits x wage savings achieved. 35% was based on 2014 Benefit Costs as a percentage of annual wages.	Used 35% as the percentage of benefits x wage savings achieved. Utilized the baseline percentage.	Used 35% as the percentage of benefits x annual wage savings. Utilized the base line percentage.
Reduction in Board of Directors fees	Used 2014 Board of Directors fees for the former BCP \$60,000 less the incremental cost of adding one Board Member to Energy+ Board.	As the former BCP Board no longer existed as of Nov. 28, 2014, full year of savings achieved equivalent to the baseline.	Annual Board of Directors fees saved based on the baseline computation.
Other	Used actual costs as the baseline for items included in "Other", based on the year that the cost was eliminated.	Most significant item in the other category occurred in 2015. Of the \$145,050 identified, \$120,000 represents the elimination of license fees with respect to the former BCP's CIS/Financial System. This was eliminated in 2016 with the integration into the Energy+ systems. \$19,000 is a reduction in Audit and Accounting fees from 2016 versus 2015.	The amount of annual savings for the items identified in other using the baseline costs.

Table 2: Computation of Wage/Salary Savings and Incremental Increases

Computation of Annual Operating Synergies - Wage and Salary Savings				
	Baseline Yr.	Actual Annualized Salary/Wage Amount		
Cumulative Savings from Reduction in FTE Positions/Elimination of Vacancies				
Chief Financial Officer	2015	\$ 105,000		
Intermediate Accountant	2015	\$ 55,000		
Energy Management/ VP Integration	2015	\$ 118,000		
GIS Technician	2014	\$ 73,965		
Director, Customer Care	2014	\$ 82,000		
Line Superintendent	2014	\$ 94,000		
Executive Assistant	2014	\$ 67,000		
Customer Care Clerk	2015	\$ 61,000		
Operations Clerk	2015	\$ 64,000		
Sync Operator	2017	\$ 67,000		
Metering Technician	2016	\$ 83,500		
VP Business Development/Energy Efficiency - Allocation to Conservation Programs	2015	\$ 93,750		
		<u>\$ 964,215</u>		
Cumulative Annual Savings as per Table 2-3		<u>\$ 963,000</u>	A	
Incremental wage increases to align to Collective Agreement/Wage Grades				
	Hrly Wage Differential - 2015 Baseline	No. Hours April 1 - Dec. 31, 2015	No. Positions	Incremental Cost
Unionized Wage Adjustment - Outside Employees				
PLT	\$ 2.35	7800	6	\$ 109,980
Leadhand	\$ 2.51	7800	2	\$ 39,156
Apprentice	\$ 2.23	7800	1	\$ 17,394
Metering Technician	\$ 1.68	7800	1	\$ 13,104
				<u>\$ 179,634</u>
	Avg. Rate	Overtime Impact		
	\$ 2.19	511.5		\$ 1,121
				<u>\$ 180,755</u>
				B
	Annual Salary - 2014	Annual Salary Sept 2015	Annual Increase	Incremental (Pro-rated)
Unionized Salary/Wages Adjustment - Inside Employees	\$ 501,760	\$ 564,460	\$ 62,700	\$ 55,245
				<u>\$ 236,000</u>
Total Incremental Wage Increase, as per Table 2-3				<u>\$ 236,000</u>
				D=B+C

2-SEC-22
INTERROGATORY

Ref: Ex.2, p.249

Please provide the risk analysis for each 2018 and 2019 material capital project that is proposed, and that was considered.

RESPONSE

The following table and subsequent figures represent the risk assessment table completed for 2018 Material Capital Projects:

CATEGORY	2018 DISTRIBUTION CAPITAL PROJECTS	CAPITAL COST	PROSORT - CHANGE IN RISK SCORE
SYSTEM RENEWAL	2018 - Pole Replacements - CND Area and Brant (65 Poles CND Removed + 50 Poles Brant)	833,200	85.5
SYSTEM RENEWAL	2018 - Porcelain Insulator Replacements with Polymer - CND Area & Brant	317,000	57.7
SYSTEM RENEWAL	2018 - Line Tx's Capitalized - CND / Brant Area (Replacement of transformers due to damage or failure)	450,000	14
SYSTEM RENEWAL	Rebuild existing 27.6kV line on and behind Queen Street West from Shepherd Avenue to Guelph Avenue (20 Poles Removed) - CND Area - 1.6km	328,250	57.7
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Cockshutt Road from Sour Springs Road to River Road & McGill Road from Cockshutt Road to 2km West of Cockshutt Road (72 Poles Removed)- 3.3km - Brant Area	964,000	59.2
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Burch Road from West of Biggars Lane to Cockshutt Road (53 Poles Removed) - 2.7km - Brant Area	611,000	59.2
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Cockshutt Road from Burch Road to Sour Springs Road (43 Poles Removed) - 2.2km - Brant Area	635,800	59.2
SYSTEM RENEWAL	Underground Rebuild - Cindy Avenue (1977) - 52 customers (presently 27.6kV) - CND Area - 0.7km	281,000	8
SYSTEM RENEWAL	Underground Rebuild - Grand Ridge Drive Area - Part 2 of 2 (1977-1979) - 155 customers (presently 27.6kV) - CND Area - 1.6km	713,300	8
SYSTEM SERVICE	Hydro One AACE Class 3 Estimate for MTS # 2	276,000	Not evaluated in PROSORT
SYSTEM SERVICE	Purchase of land for MTS#2, Asset 1805 - CND Area	1,650,000	Not evaluated in PROSORT

Name	2018 Spot Pole Replacements						
Description	65 Poles in CND, 50 Poles in Brant						
Cost	\$833,200						
Savings							
TOTAL COST	\$833,200						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Likely	139	41.7	Major	Rare
0.2	Customer	Major	Likely	139	27.8	Major	Rare
0.2	Reliability	Major	Likely	139	27.8	Major	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					39.2		
Change in RISK Score (decrease)		85.6					
Change in Total RISK-BENEFIT SCORE		85.6					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	2018 Porcelain Insulator Replacements with Polymer						
Description	Replacement of 2018 Porcelain Insulators with Polymer due to breakage issues and reliability concerns. Safety impact for linemen and repairs can be time consuming due to work-protection rules pertaining to isolation/tagging.						
Cost	\$317,000						
Savings							
TOTAL COST	\$317,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Major	Likely	139	27.8	Major	Rare
0.2	Reliability	Major	Likely	139	27.8	Major	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					71.3		
Change in RISK Score (decrease)		57.7					
Change in Total RISK-BENEFIT SCORE		57.7					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	2018 Line Transformer Replacement
Description	Replacement of transformers due to damage or failure in CND and Brant Areas
Cost	\$450,000
Savings	
TOTAL COST	\$450,000

Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Minor	Possible	13	3.9	Minor	Rare
0.2	Customer	Minor	Almost Certain	25	5	Minor	Rare
0.2	Reliability	Minor	Almost Certain	25	5	Minor	Rare
0.1	Financial	Minor	Almost Certain	25	2.5	Minor	Rare
Total Risk Score					16.4		
Change in RISK Score (decrease)		14					
Change in Total RISK-BENEFIT SCORE		14.0					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Queen Street West from Shepherd Avenue to Guelph Avenue (20 Poles Removed) - CND Area - 1.6km
Description	Rebuild existing 27.6kV line on and behind Queen Street.
Cost	\$328,250
Savings	
TOTAL COST	\$328,250

Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Major	Likely	139	27.8	Major	Rare
0.2	Reliability	Major	Likely	139	27.8	Major	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					71.3		
Change in RISK Score (decrease)		57.7					
Change in Total RISK-BENEFIT SCORE		57.7					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Cockshutt Road from Sour Springs Road to River Road & McGill Road from Cockshutt Road to 2km West of Cockshutt Road (72 Poles Removed)- 3.3km - Brant Area						
Description	2km - 21 Customers - Mostly 1960's (Note: Three phase 8.32/4.8kV looped line). UG portion included and cost is marked up by 20%.						
Cost	\$964,000						
Savings							
TOTAL COST	\$964,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score						23.3	
Change in RISK Score (decrease)		16.1					
BENEFITS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer					Major	Likely
0.2	Reliability					Moderate	Likely
0.1	Financial					Moderate	Likely
Total Benefit Score							
Change in BENEFIT Score (increase)		43.1					
Change in Total RISK-BENEFIT SCORE		59.2					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Burch Road from West of Biggars Lane to Cockshutt Road (2.7km)						
Description	Brant Area - Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Overhead - 2.7km - 11 Customers - Mostly 1960 (Notes: Existing main radial three phase 8.32kV line with downstream customers. Conversion to 27.6kV will ultimately loop existing 27.6kV on McGill Road and provide a second supply to Tutela Heights growth area created by January 1, 2017 City of Brantford boundary adjustment.						
Cost	\$611,000						
Savings							
TOTAL COST	\$611,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
BENEFITS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer					Major	Likely
0.2	Reliability					Moderate	Likely
0.1	Financial					Moderate	Likely
Total Benefit Score							
Change in BENEFIT Score (increase)		43.1					
Change in Total RISK-BENEFIT SCORE					59.2		
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Brant Area - Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Cockshutt Road from Burch Road to Sour Springs Road -						
Description	2.2km - 32 Customers - Mostly 1950's and 1960's (Note: Three Phase 8.32kV looped line via stepdown transformers)						
Cost	\$635,800						
Savings							
TOTAL COST	\$635,800						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values	BEFORE				AFTER		
	Consequence	Likelihood	Score	TRS	Consequence	Likelihood	
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
BENEFITS							
Business Values	BEFORE				AFTER		
	Consequence	Likelihood	Score	TRS	Consequence	Likelihood	
0.3	Safety and Wellness						
0.2	Customer					Major	Likely
0.2	Reliability					Moderate	Likely
0.1	Financial					Moderate	Likely
Total Benefit Score							
Change in BENEFIT Score (increase)		43.1					
Change in Total RISK-BENEFIT SCORE				59.2			
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	UG Cindy Avenue (1977) - CND Area						
Description	52 customers (presently 27.6kV)						
Cost	\$281,000						
Savings							
TOTAL COST	\$281,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values	BEFORE				AFTER		
	Consequence	Likelihood	Score	TRS	Consequence	Likelihood	
0.3	Safety and Wellness						
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					9.5		
Change in RISK Score (decrease)		8					
Change in Total RISK-BENEFIT SCORE				8.0			
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	UG Grand Ridge Drive Area Underground Rebuild Part 2 of 2 (1977-1979) - CND Area							
Description	139 customers (presently 27.6kV)							
Cost	\$713,300							
Savings								
TOTAL COST	\$713,300							
Assessment of Impact of Investment to Business Values								
RISKS								
Business Values		BEFORE				AFTER		
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood	
0.3	Safety and Wellness							
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare	
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare	
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare	
Total Risk Score						9.5		
Change in RISK Score (decrease)		8						
Change in Total RISK-BENEFIT SCORE		8.0						
Risk Assessment		GO: Project will improve Risk-Benefit Score.						


The following table and subsequent figures represent the risk assessment table completed for 2019 Material Capital Projects:

CATEGORY	2019 DISTRIBUTION CAPITAL PROJECTS	CAPITAL COST	PROSORT - CHANGE IN RISK SCORE
SYSTEM RENEWAL	2019 Pole Replacements - CND Area (50 Poles FFA Removed) & Brant Area (25 Poles FFA Removed)	548,100	85.5
SYSTEM RENEWAL	2019 Porcelain Insulator Replacements with Polymer - CND / Brant Area	362,000	57.7
SYSTEM RENEWAL	2019 Line Tx.'s Capitalized - CND/Brant Area (Replacement of transformers due to damage or failure)	450,000	14
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 8.32/4.8kV to 27.6/16kV - Colborne Street East from East of McBay Road to Maden Road - 1.8km - 30 Poles FFA - Brant Area	502,000	16.1
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 4.8kV to 27.6/16kV - Cockshutt Road from River Road to Tutela Heights Road - 1.6km (11 Poles FFA Removed)	334,000	59.2
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from Single Phase to Three Phase (4.8kV to 27.6kV/16kV)- Park Road North from Powerline Road to Governors Road East - 2.1km (15 Poles FFA Removed)	442,000	16.1
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 4.8kV to 27.6/16kV - Powerline Road from Rest Acres Road to Bishopsgate Road - 3.5km (50 Poles FFA Removed)	750,000	16.1
SYSTEM RENEWAL	Rebuild and Convert Overhead 4.8kV to 16kV Line - River Road from Cockshutt Rd to Newport Rd - 1.2KM (15 Poles FFA)	180,000	16.1
SYSTEM RENEWAL	Rebuild and Convert Overhead 4.8kV to 16kV Line - Governors Rd East from King George Rd to Park Road - 1.6KM (8 Poles FFA)	240,000	16.1
SYSTEM RENEWAL	Rebuild and Convert Overhead Line from 4.8kV to 16kV - Langford Church Rd from Colborne Street East to North of County Rd 8 - 4km (26 Poles FFA) - Brant Area	600,000	16.1
SYSTEM RENEWAL	Underground Rebuild - Bluerock Crescent (1979) - 60 customers (presently 27.6kV) - CND Area - 0.8km	392,700	8
SYSTEM RENEWAL	Brant UG Rebuild existing 4.8kV primary - Isabel Dr. and August Ave. Approx. 50 customers (1976), - 0.7KM	275,000	8
SYSTEM RENEWAL	Rebuild existing 16kV underground primary - Forest Drive, Columbine Crescent, Magnolia Drive, Larkspur Lane, Abeles Avenue, Clover Court (Paris) - approx.200 customers (1973) - 2.2KM Brant Area	1,080,400	8
SYSTEM SERVICE	2019 Scada-Mate Switches	240,000	29.1

Name	2019 Spot Pole Replacements							
Description	50 Poles in CND, 25 Poles in Brant							
Cost	\$548,100							
Savings								
TOTAL COST	\$548,100							
Assessment of Impact of Investment to Business Values								
RISKS								
Business Values		BEFORE				AFTER		
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood	
0.3	Safety and Wellness	Major	Likely	139	41.7	Major	Rare	
0.2	Customer	Major	Likely	139	27.8	Major	Rare	
0.2	Reliability	Major	Likely	139	27.8	Major	Rare	
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare	
Total Risk Score						99.2		
Change in RISK Score (decrease)		85.6						
Change in Total RISK-BENEFIT SCORE		85.6						
Risk Assessment		GO: Project will improve Risk-Benefit Score.						

Name	2019 Porcelain Insulator Replacements with Polymer						
Description	Replacement of 2019 Porcelain Insulators with Polymer due to breakage issues and reliability concerns. Safety impact for linemen and repairs can be time consuming due to work-protection rules pertaining to isolation/tagging.						
Cost	\$362,000						
Savings							
TOTAL COST	\$362,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Major	Likely	139	27.8	Major	Rare
0.2	Reliability	Major	Likely	139	27.8	Major	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					71.3		
Change in RISK Score (decrease)		57.7					
Change in Total RISK-BENEFIT SCORE		57.7					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	2019 Line Transformer Replacement						
Description	Replacement of transformers due to damage or failure - - CND/Brant Area						
Cost	\$450,000						
Savings							
TOTAL COST	\$450,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Minor	Possible	13	3.9	Minor	Rare
0.2	Customer	Minor	Almost Certain	25	5	Minor	Rare
0.2	Reliability	Minor	Almost Certain	25	5	Minor	Rare
0.1	Financial	Minor	Almost Certain	25	2.5	Minor	Rare
Total Risk Score					16.4		
Change in RISK Score (decrease)		14					
Change in Total RISK-BENEFIT SCORE		14.0					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Colborne Street East Rebuild from McBay Rd to Madden Road (1.8 km)						
Description	Rebuild and Convert OH Line 8.32/4.8kV to 27.6/16kV						
 Cost	\$502,000						
Savings							
TOTAL COST	\$502,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
Change in Total RISK-BENEFIT SCORE		16.1					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Brant Area - Rebuild and Convert Overhead Line from 4.8kV to 27.6/16kV - Cockshutt Road from River Road to Tutela Heights Road - 1.6km -						
Description	13 Customers - Mostly 1960's (Note: Single phase 4.8kV looped line)						
Cost	\$334,000						
Savings							
TOTAL COST	\$334,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
BENEFITS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer					Major	Likely
0.2	Reliability					Moderate	Likely
0.1	Financial					Moderate	Likely
Total Benefit Score							
Change in BENEFIT Score (increase)		43.1					
Change in Total RISK-BENEFIT SCORE		59.2					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Park Road North from Powerline Road to Governors Road East - 2.1km (15 Poles FFA Removed)						
Description	Rebuild and Convert Overhead Line from Single Phase to Three Phase (4.8kV to 27.6kV/16kV)						
Cost	\$442,000						
Savings							
TOTAL COST	\$442,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
Change in Total RISK-BENEFIT SCORE		16.1					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Brant Area - OH Line from 4.8kV to 27.6/16kV - Powerline Road from Rest Acres Road to Bishopsgate Road (50 Poles FFA removed)						
Description	3.5km						
Cost	\$750,000						
Savings							
TOTAL COST	\$750,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
Change in Total RISK-BENEFIT SCORE		16.1					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Brant Area - Rebuild and Convert Overhead Line from 4.8kV to 16kV - River Road from East of Cockshutt Road to Newport Road
Description	1.2km, 32 Customers - Mainly 1960's (Note: Single phase 4.8kV line with two additional unused phases that is looped)
Cost	\$180,000
Savings	
TOTAL COST	\$180,000

Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
Change in Total RISK-BENEFIT SCORE					16.1		
Risk Assessment					GO: Project will improve Risk-Benefit Score.		

Name	Brant Area - OH Line from 4.8kV to 27.6/16kV - Governors Rd East from King George Rd to Park Road - 1.6KM (8 Poles FFA)
Description	1.7km
Cost	\$240,000
Savings	
TOTAL COST	\$240,000

Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
Change in Total RISK-BENEFIT SCORE					16.1		
Risk Assessment					GO: Project will improve Risk-Benefit Score.		

Name	Brant Area - Rebuild and Convert Overhead Line from 4.8kV to 16kV						
Description	Langford Church Road - Colborne Street East to County Road 8 - 4km (1952)						
Cost	\$600,000						
Savings							
TOTAL COST	\$600,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness	Major	Unlikely	46	13.8	Major	Rare
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					23.3		
Change in RISK Score (decrease)		16.1					
Change in Total RISK-BENEFIT SCORE		16.1					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	CND Area - Bluerock Crescent (1979)						
Description	60 customers (presently 27.6kV)						
Cost	\$392,700						
Savings							
TOTAL COST	\$392,700						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					9.5		
Change in RISK Score (decrease)		8					
Change in Total RISK-BENEFIT SCORE		8.0					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	UG Rebuild existing 4.8kV primary - Isabel Dr. and August Ave. - Brant Area						
Description	Approx. 50 customers (1976)						
Cost	\$280,000						
Savings							
TOTAL COST	\$280,000						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					9.5		
Change in RISK Score (decrease)		8					
Change in Total RISK-BENEFIT SCORE		8.0					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	Brant Area - UG Rebuild existing 16kV underground primary - Forest Drive, Columbine Crescent, Magnolia Drive, Larkspur Lane, Abeles Avenue, Clover Court (Paris) -						
Description	Approx. 200 customers (1973)						
Cost	\$1,080,400						
Savings							
TOTAL COST	\$1,080,400						
Assessment of Impact of Investment to Business Values							
RISKS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer	Minor	Likely	19	3.8	Minor	Rare
0.2	Reliability	Minor	Likely	19	3.8	Minor	Rare
0.1	Financial	Minor	Likely	19	1.9	Minor	Rare
Total Risk Score					9.5		
Change in RISK Score (decrease)		8					
Change in Total RISK-BENEFIT SCORE		8.0					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

Name	SCADA Deployment/System Monitoring						
Description	2019 Installation of Remotely Operable Overhead Switches						
Cost	\$240,000						
Savings							
TOTAL COST	\$240,000						
Assessment of Impact of Investment to Business Values							
BENEFITS							
Business Values		BEFORE				AFTER	
		Consequence	Likelihood	Score	TRS	Consequence	Likelihood
0.3	Safety and Wellness						
0.2	Customer					Moderate	Almost Certain
0.2	Reliability					Moderate	Almost Certain
0.1	Financial					Minor	Unlikely
0.1	Innovation and Productivity					Minor	Possible
Total Benefit Score							
Change in BENEFIT Score (increase)		29.1					
Change in Total RISK-BENEFIT SCORE		29.1					
Risk Assessment		GO: Project will improve Risk-Benefit Score.					

2-SEC-23

INTERROGATORY

Ref: Ex.2, p.250

With respect to the PROSORT tool:

- a. Does the Applicant set budget and/or risk constraints to create a prioritized project list? If so, please provide details on what constraints were used.

RESPONSE

Yes, Energy+ set a distribution capital expenditure limit in each year from 2018 to 2023. The limit was \$10 Million for 2018 and 2019 and \$12 Million in 2020 to 2023. Please refer to Response to Interrogatories 2-Staff-27.

2-SEC-23

INTERROGATORY

Ref: Ex.2, p.250

- b. Did the Applicant make any adjustments to the project prioritization after the initial results were determined? If so, please explain

RESPONSE

Yes, there were adjustments made to the budget after the initial project prioritization list versus the final approved list.

Please refer to Response to Interrogatories CCC-19.

2-SEC-23

INTERROGATORY

Ref: Ex.2, p.250

- c. Does the tool set the level of asset replacements within a program? For example, does the tool determine the optimal level of pole replacements to undertake in a given year?

RESPONSE

No, the PROSORT is a project prioritization tool that uses a scoring scheme based on risks and benefits associated with undertaking a project. It does not set the level of asset replacements within a program.

The optimal level of asset replacements was determined by reviewing the Flagged for Action (FFA) plan in the Asset Condition Assessment (ACA) and reviewing the individual programs (Overhead, Underground, 1-1 Equipment Replacement) to determine the best ways to address FFA assets identified in each year. In some cases, a decision was made to run assets to failure or perform preventative maintenance to extend the life of the asset. In other cases, a decision was made to replace assets with the prioritization on areas that have a high concentration of FFA as identified through the ACA. This approach allowed Energy+ to maximize the FFA replacements that could be achieved within the overall capital expenditure limit. Individual projects were prioritized using PROSORT and other information to develop the overall capital plan.

2-SEC-23

INTERROGATORY

Ref: Ex.2, p.250

d. Please confirm the tool is not used for general plant projects. If confirmed, please explain how the Applicant prioritizes general plant projects against system renewal/service projects.

RESPONSE

Energy+ confirms that the PROSORT tool is not used for evaluating general plant projects.

Energy+ reviews its overall spending priorities annually in all categories, including system renewal and system service. Increased investment in general plant is expected over the forecast period, which is predominantly driven by a need to invest in new or upgraded facilities to address customer growth, aging facilities, and inadequate space for employees. Energy+ has attempted, where possible, to manage the level of System Renewal expenditures to accommodate higher investment requirements in General Plant, while at the same time recognizing the need to renew the distribution system, particularly in the Brant service territory.

General plant projects are identified as part of the overall budgeting process by department and requests for capital expenditures are reviewed and prioritized on the following basis:

- Mandatory investments required to meet statutory and regulatory obligations, including environmental, health and safety regulations.
- End of Life/Replacement of Assets
 - Facilities Plan – Refer to Exhibit 2, Distribution System Capital Plan, Appendix N.
 - Certain information system technology expenditures are required in order to replace technology (hardware and software) that has reached its end of life and needs to be replaced. The Information Technology Services department has created a five year plan which identifies the timing of upgrades.

- Fleet Management Plan – Refer to Exhibit 2, Distribution System Capital Plan, Appendix M that identifies the methodology utilized in determining the timing of replacements for vehicles.
- New investments to support strategic objectives and customer stated needs and preferences are identified, reviewed and considered on the basis of the costs and benefits to be derived, including innovative solutions and productivity improvements.

2-SEC-24

INTERROGATORY

Please explain how the Applicant adjusted its capital plan to take into account the ACM request in 2020.

RESPONSE

Please refer to Response to Interrogatory 2-Staff-12 f) and 1-Staff-15 f) regarding revisions to the Distribution System Capital Plan, and resulting changes to the ACM, due to changes in the project schedules for both the Gaslight project and the Shared Facilities project with BPI.

As outlined in Exhibit 2, Section 2.7.3 and in the business case provided as part of the long-term Distribution System Capital Plan, Energy+ has taken a long-term approach to its investments in facilities and has made efforts to extend the period over which to make these investments in order to mitigate customer bill impacts, while at the same time recognizing the need to invest in upgrades to its facilities.

Energy+ plans to invest approximately \$11.4MM to upgrade its facilities over the period 2019 to 2023, and the proposed investments do result in higher net capital expenditures in those years, compared to other years in the forecast period. Energy+ has attempted, where possible, to manage the level of System Renewal expenditures in those years to accommodate higher investment requirements in the facilities, while at the same time recognizing the need to renew the distribution system, particularly in the Brant service territory.

Where possible, Energy+ has also attempted to reduce or manage other general plant expenditures compared to previous years. The average annual general plant expenditures for the years 2014 through 2017 were approximately \$2.4MM, whereas, excluding the facilities investments, the proposed level of expenditures is \$0.9MM in the 2019 Test Year and \$1.2MM in 2020.

Energy+ submits that the availability of the ACM is in place to allow distributors to adopt a longer term planning horizon for capital projects, and provides for a mechanism for Energy+ to recover its costs for discrete capital projects that are required outside of the Test Year.

2-SEC-25

INTERROGATORY

Ref: Ex.2, p.272

For each asset category, please explain how the Applicant determined the level of budgeted replacement as compared to the FFA recommendation.

RESPONSE

An explanation of Energy+'s budgeted replacement as compared to the FFA recommendation is shown in Table 2-SEC-25, below.

Table 2-SEC-25: Asset Replacement – Budgeted Compared to FFA

Asset Category	FFA	Budget	Explanation
Wood poles (#)	2091	1634	<p>Energy+'s wood pole replacements are first driven by spot pole changes and secondly driven by overhead line rebuild projects.</p> <p>The spot pole replacement program is designed to upgrade wood poles in very poor and poor condition located throughout Energy+'s service area (CND and Brant). The poles are identified through pole testing, annual inspections, and health index scoring. Energy+ has identified approximately 690 poles to be replaced under the spot pole replacement program from 2018 to 2023.</p> <p>Energy+ is also replacing wood poles as part of its overhead rebuild program which involves upgrading lines that are part of the 8kV system in the Brant area that is at or near end of life. Energy+ has established a 10-year timeframe to upgrade the 8kV system to 27.6kV to standardize voltage levels and minimize the risk of costly storm damages and resulting interruptions to customers.</p> <p>A small number of poles are also replaced as part of System Access projects such as road relocations and new/existing services.</p> <p>Overall, the budget is established to ensure Energy+ balances the FFA recommendation against capital expenditures and associated rate impacts to customers both in the forecast period and beyond.</p>
Concrete poles (#)	18	24	<p>Energy+ implemented a project in 2018 which involved the replacement of 8 concrete poles along Colborne Street East. Energy+ intends to replace the concrete poles in accordance with the annual figures identified in the ACA Flagged for Action (FFA) from 2019 to 2023. This represents 16 concrete poles.</p>

Table 2-SEC-25: Asset Replacement – Budgeted Compared to FFA

Asset Category	FFA	Budget	Explanation
Underground cables – single-phase (km)	39.0	18.91	<p>Energy+ has budgeted 48% of its recommended FFA plan for the replacement of single phase underground cables as Energy+ has not seen a high number of cable failures.</p> <p>The underground system has performed reliably over the years and therefore Energy+ intends to defer some of the capital investment and perform cable testing as part of its five-year plan to manage risk. Energy+ will also explore cable injection as a viable alternative to replacement where it makes sense.</p> <p>Single phase underground cable replacement makes up a significant portion of the underground rebuild program and therefore Energy+ has also taken into account the affordability of replacements and the corresponding rate impact.</p>
Underground Cables – three-phase (km)	14.8	0.9	<p>A substantial part of Energy+ three-phase cables are in concrete encased ducts supplying three phase pad-mount transformers. Energy+ does not intend to proactively replace these services as replacement is relatively straight forward and involves pulling out older cable and replacing with newer cable. The 0.9km shown represents replacement of existing direct buried three phase cables.</p>

Table 2-SEC-25: Asset Replacement – Budgeted Compared to FFA

Asset Category	FFA	Budget	Explanation
Single-phase pad-mounted transformers (#)	217	74	<p>There is a strong correlation between the replacement of underground cables and single-phase pad-mounted transformers as both of these major assets are part of a typical underground rebuild.</p> <p>It is generally more efficient to replace both assets at the same time and therefore Energy+ does not intend to proactively replace pad-mounted transformers in areas that will undergo upgrades in future years.</p> <p>Energy+ will manage the risk of single phase pad-mounted transformers by inspecting assets on an annual basis and carrying out preventative maintenance. Energy+'s general practice is to run transformers to failure.</p>
Single-phase pole-mounted transformers (#)	363	55	<p>Energy+ intends to replace a small number of FFA transformers that are in very poor and poor condition. Pole-mounted transformers are replaced as part of Energy+'s overhead line rebuild program.</p> <p>Energy+'s practice is to run transformers to failure and therefore would not proactively target the replacement of individual transformers.</p>
Submersible single-phase transformers (#)	31	18	<p>The FFA plan identified thirty-one submersible transformers for action over the years 2018 to 2023 in addition to nine (9) FFA submersible transformers in the year 2017. Energy+ will be replacing in excess of forty-six submersible transformers during this period. In 2017, twenty-eight submersible transformers were replaced with above-grade transformers as part of planned work. This reduced the number of submersible transformers in the field from 102 to 74.</p> <p>In 2019, seven submersible transformers are planned for replacement in underground residential subdivision rebuilds. In 2020, eleven submersible transformers are planned for replacement in underground residential subdivision rebuilds. This planned work will reduce the number of submersible transformers in the field down</p>

Table 2-SEC-25: Asset Replacement – Budgeted Compared to FFA

Asset Category	FFA	Budget	Explanation
			to 56. Additional submersible transformers will be replaced as part of Galt Core Area Upgrades in years 2020, 2021, 2022, and 2023. Therefore, the number of submersible transformers in the field in 2023 will be less than half of the initial 102 at the beginning of 2017. In general, Energy+'s replacement strategy is to install above ground transformers to replace submersible transformers to reduce the likelihood of future failures.
Vault transformers (#)	24	0	Energy+ intends to collect additional field data before determining the need for upgrading vault transformers.
Three-phase pole-mounted transformers (#)	45	36	Energy+ generally runs three-phase pole-mounted transformer banks to failure. Energy+ anticipates the replacement of two three phase transformer banks per year through its planned overhead rebuild program, customer upgrades, and transformer failure.
Three-phase pad-mounted transformers (#)	17	12	Energy+ generally runs three-phase pad-mounted transformers to failure. Energy+ anticipates replacing two units per year due to customer service upgrades or due to failures.
Pad-mounted switchgear (#)	14	13	Energy+ has budgeted the replacement of pad-mounted switchgear units to be consistent with the recommended FFA. Energy+ intends to target the replacement of existing 27.6kV live front switchgear units.
Overhead line switches (#)	9	8	Energy+ has budgeted to replace one or two overhead line switches per year driven primarily due to condition.
Voltage regulators (#)	1	0	Energy+ is not planning on replacing any voltage regulators. Energy+ intends to do planned maintenance to manage the risk of failure.
Capacitors (#)	2	0	Energy+ is not planning on replacing any capacitors.

Table 2-SEC-25: Asset Replacement – Budgeted Compared to FFA

Asset Category	FFA	Budget	Explanation
Reclosers (#)	0	0	Energy+ is not planning on replacing any reclosers as none were identified as part of the FFA plan.
Steel poles (#)	0	0	Energy+ is not planning on replacing any steel poles as none were identified as part of the FFA plan.
Station transformers combined (#)	1	0	The Asset Condition Assessment identified load tap changers as requiring attention. Energy+ budgeted planned maintenance on load tap changers at MTS#1 in Q4 of 2018 and therefore did not budget replacement during the period of 2018 to 2023.

2-SEC-26

INTERROGATORY

Ref: Ex.2, Appendix K, p.viii

Does the Applicant accept the data collection recommendations made by Kinectrics in its Asset Condition Assessment? If so, please provide details regarding the plan for implementation of those recommends.

RESPONSE

The following image shows the data collection recommendations made by Kinectrics in the Asset Condition Assessment:

Energy+ Inc.
2017 Asset Condition Assessment

Energy+ Inc.
EB-2018-0028
Exhibit 2
Page 814 of 1497
Filed: April 30, 2018

Recommendations

At the moment, Energy+ had decent amount of data for 2017 ACA study, based on which informed decisions could be made. For the purpose of improving ACA study in the future, it is recommended that Energy+ enhance data collection in the following areas:

- Corrective maintenance records and inspection records at component level, for all the asset groups other than Station Transformers, Circuit Breakers or Pad Mounted Switchgear.
- Operation cycle counts, for both the normal operation and fault interruption for Station Breakers, as well as manufacturer specification limits on contact resistance and operation cycles, for the purpose of estimating breaker degradation due to usage.
- Historic records of asset removal for all the asset groups, for the purpose of developing Energy+ specific asset degradation curves in the future.
- Continous tracking of Underground Cables failures by location in the outage database. Such information has been collected by Energy+ for many years. Once sufficient data are available in the future, they could be incorporated in ACA study.

The results presented in this study are based solely on asset condition as determined by available data. Note that there are numerous other considerations that may influence Energy+'s planning process. Among these are obsolescence, system growth, corporate priorities, technological advancements, etc.

The following is Energy+'s plan for each respective recommendation:

1. Energy+ agrees with Kinectric's recommendation of obtaining inspection records at a component level as it will provide further granularity and better assessment of component condition status. Energy+ intends to utilize an electronic data collection tool (Fulcrum) that will be used by operations department to record inspection records at a component level. The records will then be uploaded into a centralized repository for future access. All inspections will be done at a component level beginning in 2020.
2. Energy+ agrees and will work to distinguish cycle counts as a result of normal operation and fault interruption operation beginning in 2019. Energy+ will also obtain the manufacturer specification limits for contact resistance and operation cycles from the equipment vendor by the end of 2019. The Switchgear is maintained regularly, and previous values of contact resistance are referenced to see the trend line.
3. Energy+ plans to capture asset removal information for all the asset groups studied as part of the Asset Condition Assessment in its GIS system by the beginning of 2020.
4. Energy+ agrees with Kinectric's recommendations that Underground Cable failure information can be used in future ACA studies once there have been a sufficient number of Underground Cable failures. Energy+ continues to track the location and date of each underground primary cable failure. There has only been a total of four (4) underground primary cable failures in both the CND and Brant areas during the period from 2013 to 2017. Please refer to Response to Interrogatory CCC-8. Therefore, there is not a lot of data available.

2-SEC-27

INTERROGATORY

Ref: Ex.2, Appendix N

With respect the facilities plan:

- a. Please confirm the Facilities Business Plan was created after the decision to undertake the elements of the plan had already been made.

RESPONSE

The Facilities Business Plan document that is part of the DSP that underpins this Application was created to explain and provide justification for the various activities that Energy+ has planned for land and buildings. Energy+ confirms that when this material was prepared, decisions for a number of elements of the plan had been made, based on analysis and presentations that had been prepared and reviewed with the Board of Directors during the decision making process.

Energy+ notes that the plans for each of the Southworks and Garden Avenue facilities are not final. The Southworks project is subject to proper environmental due diligence. The Garden Avenue building is subject to a review and agreement of the final costs.

2-SEC-27

INTERROGATORY

Ref: Ex.2, Appendix N

- b. Please provide a copy of any business case/plan that was presented to the Board of Directors to seek their approval to undertake the facilities plan.

RESPONSE

Appendix 2-SEC-27b) – is the business case/plan that was presented to the Board of Directors to seek their approval to undertake the facilities plan.

2-SEC-27

INTERROGATORY

Ref: Ex.2, Appendix N

- c. [p.1029] Please explain how the separation of administrative offices from operations facilities provides greater efficacy.

RESPONSE

Please refer to the Response to interrogatory 2-Staff-13b).

2-SEC-27

INTERROGATORY

Ref: Ex.2, Appendix N

- d. Please provide a detailed project schedule for the implementation of the facilities plan, including a detailed plan regarding renovation and occupation of the Southworks facility.

RESPONSE

For the Southworks Facility project schedule, please see the response to interrogatory 2-Staff-12f).

For the BPI Garden Avenue Facility project schedule, please see the response to interrogatory 2-Staff-15f).

The planning for the Bishop Street is not at a stage where there is a project schedule.

3-SEC-28

INTERROGATORY

Ref: Ex.3, Appendix 2-H

Please add a column showing the 2018 year-to-date actuals.

RESPONSE

Energy+ has provided an updated file to add a column for June 30, 2018 year-to-date actuals in the file "2019 EnergyPlus Chapter2 Appendices Updated for June 30_18 YTD_IRR.xlsx". Please refer to the tab "App 2H_Other_Oper_Rev3-SEC-28".

Please note that the 2017 Actuals have been updated as well. Please refer to Response to Interrogatory 1-Staff-10 (a).

3-SEC-29

INTERROGATORY

Ref: Ex.3, Appendix 2-H

For each USoA, please explain how the Applicant has forecasted the 2018 and 2019 other revenue amounts.

RESPONSE

Energy+ has forecasted the 2018 and 2019 other revenue amounts for each USoA by using the most recent information available at the time of the budget preparation, that being either the 2017 budget, YTD 2017 actuals and in some cases also the 2016 actuals, except where otherwise noted below for specific USoA.

USoA 4235- Specific Service Charges, specifically Document Charges and Collection/Reconnection Charges. Energy+ estimated 2018 and 2019 forecasts to be fairly consistent each year. The estimates for these years was reduced in comparison to 2017 due to the fact that on November 2nd, 2017 the OEB issued a Decision and Order banning licensed electricity distributors from disconnecting or threatening to disconnect homes for non-payment from November 15th to April 30th every year, and requires that homes that were disconnected due to non-payment be reconnected without charge. Energy+ is not allowed to ask residential customers to pay document charges nor account collection/reconnection fees during the disconnection ban. Please refer to Response to Interrogatory 3-VECC-27 a) iii) and b).

USoA- 4225-Late Payment Charges. Energy+ reduced the forecast for 2018 and 2019 from prior years based on: (i) Energy+'s transition to monthly billing; and (ii) the implementation of the Fair Hydro Plan; both of which result in lower average outstanding balances on accounts, which in turn results in less late payment charges. Please refer to Response to Interrogatory 3-VECC-27 a) i).

USoA- 4210-Rent from Electric Property, specifically Pole and Ducts Rental was forecast for 2018 and 2019 based on the estimated number of pole attachments and the attachment rate. The estimated number of pole attachments was based on the latest information available in 2017 at the time of the preparation of the budget. Please refer to Response to Interrogatory 3-

Staff-56 a) for the revisions to the 2019 Test Year with respect to revision to the OEB approved pole rental rates.

USoA-4245-Government Assistance Directly Credited to Income. For Energy+ the USoA 4245 consists of amortization of deferred revenue. Amounts are amortized to income over the useful life of the related property, plant and equipment or intangible asset and is calculated based on actual contributions of prior years and estimated contributions as per the capital forecast for 2018 and 2019.

USoA-4305-Regulatory Debits. Energy+ estimated the financial difference arising from depreciation under CGAAP vs the depreciation under IFRS based on the proposed additions for the Brant service territory for 2018. Refer to Exhibit 9 for details with respect to Account 1576. This forecast is for the Brant service territory only as the former BCP last rebased under old CGAAP in 2011. The former CNL rebased in 2014 and therefore this adjustment is not applicable. This adjustment is not applicable for the 2019 Test Year.

USoA-4310-Regulatory Credits. Energy+ has based the forecast for 2018 on an estimate of the financial difference arising from transition from previous CGAAP to modified IFRS, and specifically the loss on de-recognition of assets arising from the recognition of the retirement of assets, where the assets have a remaining net book value. This account is used as an offset to Account 4355 for the 2018 Bridge Year. Please refer to Exhibit 9 with respect to the computation of Account 1575. The estimate for 2018 was based on historical experience. This adjustment is not applicable for the 2019 Test Year.

USoA-4325-Revenues from Merchandise, Jobbing, Etc. Energy+ based the forecast for 2018 and 2019 on the actual for 2016, and included an increase of \$10,000 to reflect the accounting services to be provided to Grand River Energy Solutions Corp.

USoA-4355-Gain on Disposition of Utility and Other Property. For 2018 Bridge Year, Energy+ based the forecast on the expected sale of the Paris Operations Center. Energy+ has not forecast any dispositions or sales in the 2019 Test Year that are expected to result in a gain on disposition.

USoA-4360-Loss on Disposition of Utility and Other Property. Energy+ has based the forecast for 2018 and 2019 based on historical experience, and specifically the losses on de-recognition experienced since 2014.

USoA-4375-Revenues from Non-Utility Operations. Energy+ based the forecast for 2018 and 2019 on a prior 19 month average of actuals from January 2016 to May 2017. Energy+ reduced the forecast for the 2019 Test Year for the Connection Impact Assessment revenue component due to the completion of the FIT program.

USoA-4380-Expenses of Non-Utility Operations. Energy+ based the forecast for 2018 and 2019 on a prior 19 month average of actuals from January 2016 to May 2017. Energy+ reduced the forecast for the 2019 Test Year for the Connection Impact Assessment expense component due to the completion of the FIT program.

USoA-4398-Foreign Exchange on Gains and Losses Including Amortization. Energy+ does not anticipate material foreign currency transactions in 2018 or 2019; it is difficult to predict the Canadian dollar versus US exchange differences that may arise.

USoA-4405-Interest and Dividend Income. Energy+ has projected a cash flow shortfall in 2018 and 2019 and as a result did not forecast interest income for the 2018 Bridge Year and 2019 Test Year. Energy+ also notes that carrying charges on regulatory balances are specifically excluded in the 2019 Test Year, in accordance with the Chapter 2 Filing Guidelines.

3-SEC-30

INTERROGATORY

Ref: Ex.3, Appendix 2-H

Please update the revenues from the wireline pole attachments forecast for the test year for the updated rate as set out in the Report of the Ontario Energy Board: Wireline Pole Attachment Charge (EB-2015-0304), March 22, 2018.

RESPONSE

Please refer to Response to Interrogatory 3-Staff-56 a).

4-SEC-31

INTERROGATORY

Ref: Ex.4

With respect to Appendix 2-JC, please add an additional column providing year-to-date actuals.

RESPONSE

Energy+ has added a column to Appendix 2-JC for June 30, 2018 year-to-date actuals in the file "2019 EnergyPlus Chapter2 Appendices Updated for June 30_18 YTD_IRR.xlsx". Please refer to the tab "App. 2-JC OMA Programs 4-SEC-31".

Please note that the 2017 Actuals have also been updated. Please refer to Response to Interrogatory 1-Staff-10 (a).

4-SEC-32
INTERROGATORY

Ref: Ex.4, Appendix 2-K

Please add two rows to Appendix 2-K to show the amount of compensation costs allocated to OM&A and capital for each year.

RESPONSE

Energy+ has provided Appendix 2-K – Response to 4-SEC-32. Energy+ has added three rows to provide the amount of compensation costs allocated to: (i) OM&A; (ii) capital; and (iii) other for each year. The other category includes wages and benefits that have been charged to billable jobs for customers, streetlighting, removal costs (included in amortization expense), and deferral accounts (i.e. Transition to Monthly Billing in years prior to 2019).

**Appendix 2-K - Response to 4-SEC-32 Breakdown by OM&A, Capital and Other
Employee Costs
Energy+ Inc. (Consolidated)**

	Last Rebasings Year - 2014- Board Approved Proxy	Last Rebasings Year - 2014- Actual	2015 Actuals	2016 Actuals	2017 Actuals	2018 Bridge Year	2019 Test Year
Number of Employees (FTEs including Part-Time)¹							
Management (including executive)	31	26	30	25	25	26	27
Non-Management (union and non-union)	113	106	103	101	101	105	103
Total	144	132	133	126	126	131	130
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	\$ 3,487,244	\$ 3,098,542	\$ 3,411,676	\$ 3,544,071	\$ 3,566,145	\$ 3,681,136	\$ 3,746,319
Non-Management (union and non-union)	\$ 7,985,237	\$ 8,183,816	\$ 8,409,187	\$ 8,668,084	\$ 8,512,927	\$ 8,473,012	\$ 8,339,516
Total	\$ 11,472,481	\$ 11,282,357	\$ 11,820,863	\$ 12,212,155	\$ 12,079,072	\$ 12,154,148	\$ 12,085,835
Total Benefits (Current + Accrued)²							
Management (including executive)	\$ 921,349	\$ 788,757	\$ 805,117	\$ 813,831	\$ 903,903	\$ 890,409	\$ 903,912
Non-Management (union and non-union)	\$ 2,500,003	\$ 1,994,079	\$ 1,896,525	\$ 1,974,126	\$ 2,056,983	\$ 2,219,478	\$ 2,160,521
Total	\$ 3,421,352	\$ 2,782,837	\$ 2,701,642	\$ 2,787,957	\$ 2,960,887	\$ 3,109,887	\$ 3,064,433
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	\$ 4,408,592	\$ 3,887,299	\$ 4,216,793	\$ 4,357,903	\$ 4,470,048	\$ 4,571,544	\$ 4,650,231
Non-Management (union and non-union)	\$ 10,485,240	\$ 10,177,895	\$ 10,305,712	\$ 10,642,210	\$ 10,569,910	\$ 10,692,490	\$ 10,500,037
Total	\$ 14,893,832	\$ 14,065,194	\$ 14,522,505	\$ 15,000,112	\$ 15,039,958	\$ 15,264,035	\$ 15,150,268
Total Compensation Charged to OM&A							
		\$ 10,562,418	\$ 10,386,399	\$ 10,337,617	\$ 10,270,005	\$ 10,340,843	\$ 10,598,769
Total Compensation Capitalized							
		\$ 2,561,048	\$ 3,292,635	\$ 3,607,025	\$ 4,073,103	\$ 4,148,101	\$ 3,936,660
Total Compensation Other- Billable/Street Lighting/Removal/Regulatory and other							
		\$ 941,728	\$ 843,471	\$ 1,055,470	\$ 696,850	\$ 748,891	\$ 588,639

Note:

¹ If an applicant wishes to use headcount, it must also file the same schedule on an FTE basis.

² Current employee benefits, plus Pension and Other Post-Employment Benefits costs, as recorded for recovery in distribution rates. Should be consistent with OPEBs costs as documented in Appendix 2-KA.

Energy+ Notes and Assumptions:

1. 2014 Board Approved Proxy represents: 2014 Former CND Board Approved plus 2011 Former BCP Board Approved plus IRM Factor to 2014
2. 2014 Actuals and 2015 Actuals represent the consolidated results of former CND and former BCP.

4-SEC-33

INTERROGATORY

Ref: Ex.4, Appendix 2-K

Please add a column showing 2018 year-to-date actuals.

RESPONSE

Energy+ has added a column showing the June 30, 2018 year to date actuals to the Appendix 2-K spreadsheet in the file "2019 EnergyPlus Chapter2 Appendices Updated for June 30_18 YTD_IRR.xlsx". Please refer to the tab "App.2-K Employee Costs 4-SEC-33.

4-SEC-34

INTERROGATORY

Ref: Ex.4, p.24, 78, 2M

With respect to Applicant costs:

- a. [p.78] Please confirm that the Applicant is seeking approval to recover the regulatory costs associated with this application (\$850,000) to be recovered over a 5-year period.

RESPONSE

Energy+ confirms that it is seeking to recover the regulatory costs associated with this application (\$850,000) to be recovered over a 5-year period, or \$170,000 per year.

4-SEC-34

INTERROGATORY

Ref: Ex.4,p.24, 78, 2M

b. If not, please explain the proposal.

RESPONSE

Not Applicable.

4-SEC-34

INTERROGATORY

Ref: Ex.4,p.24, 78, 2M

- c. [p.78] Please confirm that while the applicant states 1/5th of \$850,000 is \$190,000, the correct amount is \$170,000.

RESPONSE

Energy+ confirms that the correct amount is \$850,000 and that 1/5 is \$170,000.

4-SEC-34

INTERROGATORY

Ref: Ex.4,p.24, 78, 2M

- d. [p.24] If part (a) is correct, please confirm that the Applicant has included some or all of these costs as part of its historic and bridge year OM&A amounts in appendices 2-JA, JB, and JC.

RESPONSE

Energy+ confirms that it has included some of the regulatory costs as part of its historic and bridge year OM&A amounts in appendices 2-JA, 2-JB and 2-JC.

4-SEC-34

INTERROGATORY

Ref: Ex.4,p.24, 78, 2M

- e. If part (d) is confirmed, please provide revised appendices, removing the portion of the \$850,000 incurred in the historic or bridge year.

RESPONSE

Appendix 4-SEC-34c) - Appendix 2JA; Appendix 2JB and Appendix 2JC - Adjusted schedules remove the historic (2017) and bridge year (2018) Cost of Service Application costs.

4-SEC-34

INTERROGATORY

Ref: Ex.4,p.24, 78, 2M

f. [Appendix 2-M] Please provide a breakdown of application consultant costs.

RESPONSE

The following Table 4-SEC-34 Consultant Costs Included in Appendix 2M: Regulatory Costs summarizes the consultant costs included for this Application:

Table 4-SEC-34: Consultant Costs Included in Schedule 2M Regulatory Costs

Consultant Costs Included in Schedule 2M Regulatory Costs	
Customer Engagement Strategy and Execution	\$ 146,250
Load Forecast, Cost Allocation, Rate Design, Standby Rates	\$ 108,611
Distribution System Capital Plan	\$ 43,000
Witness Training	\$ 20,000
Conservation Impacts on Load Forecast, LRAM calculations, other	\$ 15,000
Public Meeting Expenses	\$ 15,000
Total Consultant Costs	\$ 347,861

4-SEC-35
INTERROGATORY

Ref: Ex.4, p.24

Please provide a revised version of Appendix 2-JB, which includes in all previous year's amounts related to incremental monthly billing costs and the increase in OEB fees that were previously recorded in deferral accounts.

RESPONSE

Energy+ has provided Table 4-SEC-35 Version of Appendix 2-JB –Adjusted for Monthly Billing and OEB Fees for Years Incurred. This table allocates the incremental monthly billings costs and the increase in OEB fees to the appropriate years, as if such costs were not included in the deferral accounts.

Energy+ notes that the 2019 Test Year OM&A has also been updated for changes made in Response to Interrogatory 2-Staff-15 f).

Appendix 2-JB - 4-SEC-35 Response- Monthly Billing and OEB Fees for Years Incurred
Recoverable OM&A Cost Driver Table^{1,3}
Consolidated Former CND and BCP (2014-2015) and Energy+ Inc. (2016-2019)

OM&A	Last Rebasing Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actual	2018 Bridge Year	2019 Test Year
	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Reporting Basis						
Opening Balance²	\$ 18,411,431	\$ 18,357,504	\$ 17,392,997	\$ 17,375,733	\$ 17,902,181	\$ 18,063,674
Integration Costs	\$ 255,000	\$ (255,000)				
Operating Synergies - Acquisition		\$ (427,000)	\$ (546,000)	\$ (224,000)		
Asset Management Review/Asset Condition Assessment			\$ 171,000	\$ (76,000)		
Cost of Service Application Costs		\$ (308,000)		\$ 445,995	\$ (230,995)	\$ (25,000)
Bad Debt Write-Offs		\$ (218,957)	\$ 234,858	\$ (328,456)	\$ 49,527	
Incremental Monthly Billing Costs (Deferral Account prior to 2019)			\$ 132,268	\$ 233,450	\$ 5,531	\$ 18,751
Transition to 24/7 Control Room (Load Dispatching)		\$ 83,000	\$ (50,489)	\$ 25,934	\$ 110,000	
Shared Services with Brantford Power Inc.						
Increase in OEB Fees (Deferral Account prior to 2019)	\$ -	\$ -	\$ 86,390	\$ 10,610		
Impact of Vacant Positions - Timing	\$ (272,000)	\$ (110,000)	\$ 25,000			
Organizational Capacity - Increase/ (Decrease)			\$ (120,000)	\$ 134,000	\$ (119,000)	\$ (52,000)
Merit/Collective Agreement Increases		\$ 240,904	\$ 232,596	\$ 239,264	\$ 241,000	\$ 255,000
Space/Facilities studies	\$ 100,000	\$ 30,000	\$ (36,000)	\$ (64,000)	\$ -	\$ -
Survey/Structure)	\$ 92,000	\$ (92,000)				
Increased Allocation to Capital Projects		\$ (475,000)				
Tree trimming		\$ 111,095				
Information Systems Technology (Licenses/Cyber Security)			\$ 90,000	\$ 129,000		
Other	\$ 26,073	\$ (53,549)	\$ 18,113	\$ 651	\$ 105,430	\$ 120,223
Closing Balance²	\$ 18,357,504	\$ 17,392,997	\$ 17,375,733	\$ 17,902,181	\$ 18,063,674	\$ 18,380,648

4-SEC-36

INTERROGATORY

Ref: Ex.4, p.32

With respect to the Garden Ave facility:

- a. Please provide a copy of the Shared Services Agreement with BPI.

RESPONSE

Please see the Response to Interrogatory 2-Staff-15 g).

4-SEC-36

INTERROGATORY

Ref: Ex.4, p.32

- b. The table provided shows that the proposed share facility will have a significantly higher operating cost (even excluding the shared mechanic position) than the current facility.
Please explain why this is beneficial to customers.

RESPONSE

Please see the Response to Interrogatory 4-VECC-35.

5-SEC-37

INTERROGATORY

Ref: Ex.5

Please provide the Applicant's actual or forecast regulated ROE for each year between 2014 and 2018.

RESPONSE

Please refer to Response to Interrogatory CCC-5.

5-SEC-38

INTERROGATORY

Ref: Ex.5, p.7

Please explain how the Applicant and its ratepayers benefit from the \$3,665,000 intercompany debt arrangement.

RESPONSE

Please refer to Response to Interrogatory 5-VECC-43.

7-SEC-39

INTERROGATORY

Ref: Ex.7, p.13-14

With respect to the proposed capacity/standby charge, the Applicant states: "On an annual basis Energy+ will review the monthly peak loads and after a discussion with the customer possibly adjust the contracted capacity reserve value."

- a. What factors will the Applicant consider in determining if it will lower the contracted capacity?

RESPONSE

In reviewing the monthly peak loads and based on discussions with the customer, it is possible that the contracted capacity could be increased or decreased. Factors that would be considered include, but are not limited to:

- If there has been a material decrease in the amount of peak load utilized in the year compared to the contracted capacity and the historical years. A discussion with the customer to ascertain if there are any particular reasons for the decrease in peak load, and whether or not the customer anticipates that this decrease in peak load will continue (e.g. conservation initiatives that are persistent such as new air compressors);
- If there has been a material increase in the amount of peak load utilized in the year compared to the contracted capacity and the historical years. A discussion with the customer to ascertain if there are any particular reasons for the increased peak load, such as issues with the load displacement generation, changes in load requirements for business reasons, etc., and the impact that these changes may have on the future expected capacity requirements;
- Customer wishes to elect to contract for a lesser amount as it intends to shed load when the generation is not available;
- Customer has implemented additional technology that reduces the need for the full amount of the contracted capacity for back up; and
- Customer elects to cancel the contract for back-up capacity.

7-SEC-39

INTERROGATORY

Ref: Ex.7, p.13-14

- b. What happens if the Applicant and the customer disagree? How will the disagreement be resolved?

RESPONSE

Energy+'s Conditions of Service outlines the disputes procedures for customers in Section 1.8 Dispute Resolution. The procedure approaches dispute resolution through internal investigation and discussions with staff who are subject matter experts. If these discussions fail to resolve the matter, the dispute is then escalated to the President & CEO. The final recourse for a customer dispute is to seek independent advice from the Ontario Energy Board.

7-SEC-39

INTERROGATORY

Ref: Ex.7, p.13-14

- c. Will the Applicant require the customer to enter into any contract or agreement regarding the contracted capacity? If so, please provide a copy of the proposed agreement.

RESPONSE

Energy+ will require customers to enter into an agreement for the contracted capacity. Energy+ has not prepared an agreement at this time.

7-SEC-40

INTERROGATORY

Ref: Ex.7, p.14-15

The Applicant states: “Energy+ also proposes to apply this same approach to the General Service > 50 to 999 26 kW and General Service > 1000 to 4999 kW rate classes when a customer in these classes would have load displacement generation. In this case, Energy+ would consult with the customer and determine that power will be needed when the generation is not running.”

a. How will the Applicant determine the appropriate contracted capacity?

RESPONSE

Energy+ will work with each customer to determine the appropriate level of contracted capacity. An appropriate contracted capacity will likely depend upon a number of customer driven factors including:

- The current and historical peak loads of the customer, in the absence of the load displacement generation (“LDG”);
- The size and capacity of the proposed LDG facility;
- Understanding of whether the customer requires Energy+ to be on standby to supply capacity in the absence of the LDG facility not operating; and
- If the customer is requesting a contracted capacity level that is below the capacity of the LDG facility, how much of the load can the customer curtail instantaneously to ensure that the contracted capacity level is not exceeded.

7-SEC-40

INTERROGATORY

Ref: Ex.7, p.14-15

- b. What happens if the Applicant and the customer disagree on the appropriate contracted capacity? How will the disagreement be resolved?

RESPONSE

Energy+'s Conditions of Service outlines the disputes procedures for customers in Section 1.8 Dispute Resolution. The procedure approaches dispute resolution through internal investigation and discussions with staff who are subject matter experts. If these discussions fail to resolve the matter, the dispute is then escalated to the President & CEO. The final recourse for a customer dispute is to seek independent advice from the Ontario Energy Board.

7-SEC-40

INTERROGATORY

Ref: Ex.7, p.14-15

c. Does the customer will have an ability to adjust the contracted capacity over time? If so, please provide details.

RESPONSE

Yes, the customer will have an ability to adjust the contracted capacity over time. As described in Response to Interrogatory 7-SEC-39, factors that would be considered by the customer and Energy+ would include:

- If there has been a material decrease in the amount of peak load utilized in the year compared to the contracted capacity and the historical years. A discussion with the customer to ascertain if there are any particular reasons for the decrease in peak load, and whether or not the customer anticipates that this decrease in peak load will continue (e.g. conservation initiatives that are persistent such as new air compressors);
- If there has been a material increase in the amount of peak load utilized in the year compared to the contracted capacity and the historical years. A discussion with the customer to ascertain if there are any particular reasons for the increased peak load, such as issues with the load displacement generation, changes in load requirements for business reasons, etc., and the impact that these changes may have on the future expected capacity requirements;
- Customer wishes to elect to contract for a lesser amount as it intends to shed load when the generation is not available;
- Customer has implemented additional technology that reduces the need for the full amount of the contracted capacity for back up; or
- Customer elects to cancel the contract for back-up capacity.

7-SEC-40

INTERROGATORY

Ref: Ex.7, p.14-15

- d. Will the Applicant require the customer to enter into any contract or agreement regarding the contracted capacity? If so, please provide a copy of the proposed agreement.

RESPONSE

Energy+ will require customers to enter into an agreement for the contracted capacity. Energy+ has not prepared an agreement at this time.

7-SEC-41

INTERROGATORY

Ref: Ex.7, p.14

The Applicant states: “Energy+ understands the proposed approach to a standby rate is similar to the approach used by Alectra Utilities Corporation (Horizon Utilities Rate Zone) and Entegrus Powerlines Inc. Energy+ also understands that at the time of filing, this approach is somewhat similar to Board staff’s position on how to address standby rates going forward.” Please explain how the Applicant’s proposal is different than that of Alectra, Entegrus, and Board Staff.

RESPONSE

It is Energy+’s understanding that in the case of Alectra and Entegrus, once the contract capacity amount is set it does not change. In the Energy+ proposal, it is proposed that the annual contracted capacity amount be reviewed with the customer and adjustments may be made.

With regards to Board Staff position, at the time the Application was being prepared it was Energy+’s understanding that contracted capacity was identified as the option that was being considered as part of the Commercial and Industrial Rate Design consultation process. As a formal discussion paper was not released prior to Energy+ finalizing its Application, Energy+ included the words “somewhat similar” in the final version of the Application.

Energy+ acknowledges that there may be differences in the fine details of the approach taken by each distributor or the approaches being considered by Board staff.

9-SEC-42

INTERROGATORY

Ref: Ex.9, p.28

Please calculate the working capital savings from moving to monthly billing for each of 2016 and 2017.

RESPONSE

Please note that the former BCP was billing customers monthly at the time of the acquisition in 2014. The former CND moved to monthly billing on January 3, 2017. Energy+ has not done a lead lag study or any other analysis to calculate any working capital savings for the former CND in 2017.

In accordance with the Board's June 3, 2015 letter "Allowance for Working Capital for Electricity Distribution Rate Applications", Energy+ has adopted the Board's 7.5% working capital allowance for the 2019 Test Year in this Application. This represents a reduction from Energy+'s current approved working capital allowance rate of 13%.

9-SEC-43

INTERROGATORY

Ref: Ex.9, p.36

What is the status of the sale of the 65 Dundas E. property?

RESPONSE

Please see the Response to Interrogatory 9-Staff-103 b).

Appendices

Appendix 1-SEC-1 (i)	Reliability Statistics
Appendix 1-SEC-1 (ii)	2015 Board Compensation Survey
Appendix 1-SEC-1 (iii)	2015 MEARIE Management Compensation Survey
Appendix 1-SEC-1 (iv)	2016 MEARIE Management Compensation Survey
Appendix 1-SEC-1 (v)	2017 Board Compensation Survey
Appendix 1-SEC-6 (i)	2014 Corporate Scorecard
Appendix 1-SEC-6 (ii)	2015 Corporate Scorecard
Appendix 1-SEC-6 (iii)	2016 Corporate Scorecard
Appendix 1-SEC-6 (iv)	2017 Corporate Scorecard
Appendix 1-SEC-6 (v)	2018 Corporate Scorecard
Appendix 1-SEC-6 (vi)	3 rd Q 2017 Key Performance Indicators
Appendix 1-SEC-6 (vii)	Year End 2017 Key Performance Indicators
Appendix 1-SEC-6 (viii)	1 st Q 2018 Key Performance Indicators

Appendix 1-SEC-1(i)

Reliability Statistics - 2017

2017 Results	SAIFI	SAIDI	CAIDI	SAIFI	SAIDI	CAIDI
	Including Loss of Supply			Excluding Loss of Supply		
Brantford Power	1.59	0.61	0.38	1.07	0.29	0.28
Burlington Hydro	0.74	1.041	1.4068			
Energy+	2.43	1.57	0.65			
Enwin	1.7	0.72	0.43	1.75	0.73	0.42
Essex	1.334	3.328		0.570	0.838	
Guelph Hydro	1.3	0.473	0.364	1.043	0.375	0.359
Halton Hills Hydro	1.13	1.65	1.45			
Kitchener-Wilmot Hydro	0.9663	0.9187	0.9507			
Milton Hydro	0.778	1.066	1.37	0.484	0.608	1.254
Niagara Peninsula Energy	1.69	1.58	0.93	1.54	1.44	0.93
Oakville Hydro	1.24	0.624	0.5	0.79	0.5	0.63
Waterloo North Hydro	1.6112	0.8628	0.5355	1.581	0.8595	0.5437
Welland Hydro	1.56	1.83	1.17	1.56	1.83	1.17

Appendix 1-SEC-1(ii)

2015 Board Compensation Survey



The MEARIE Group

2015 Survey on Board of Director Compensation

SURVEY REPORT

September 2015

SURVEY ADMINISTRATOR: HAY GROUP LIMITED

Table of Contents

Section

I.	Introduction	1
II.	Survey Overview	3
III.	Board of Director Metrics	7
IV.	Board Compensation	16

Appendices

A.	Survey Methodology.....	33
B.	Definitions – Compensation Elements.....	34
C.	Regions.....	35

I. Introduction

The MEARIE Group is pleased to present this report of the 2015 Board of Directors Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with attracting Board Members that will contribute to the oversight, support and guidance of the leadership team. The MEARIE Group established the **Survey on Board of Director Compensation** to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing Board Members.

Last offered in 2013, this biennial survey was updated in 2015 through the combined efforts of The MEARIE Group's *HR Information Solutions* team and Hay Group, to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey is enhanced through our partnership with Hay Group, a globally renowned compensation consulting firm. Drawing on their expertise and experience in developing and managing corporate director surveys across all sectors of the economy and in numerous countries around the world, the 2015 survey includes:

- Improved analysis by LDC groupings, mirroring the Management Salary
- Improved analysis on Board policies and practices
- Enhanced survey reporting regarding compensation information

The survey for 2015 includes one presentation document and Excel data tables in different formats as follows:

- Survey Report containing a complete analysis of Board policies and practices, overview of survey methodology and participants and a summary of compensation data in PDF format
- LDC Board Survey data tables segmented by all organizations and various other groupings in Excel format for easy data export and analysis

In addition, we would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's Board compensation programs.

Confidentiality Policy

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Hay Group (survey administrators) and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey will also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of Dec 2015, there are over 500 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Paul Wong, Associate Consultant at Hay Group at 416-815-6353 or paul.wong@haygroup.com.

The obligations of confidentiality set out in this policy are subject to the requirements of applicable law and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this confidentiality policy.

II. Survey Overview

The Board of Directors survey covers the following key topics:

Organization Profile	A brief overview of the participating organizations
Board Design	Board Metrics <ul style="list-style-type: none">• Number of members• Frequency of meetings• Number of committees Board Terms
Compensation	Board Compensation Annual Retainers Meeting Fees Committee Fees Additional Expenses: Mileage, Hotel, Airfare and Education / Training

Participants

All organizations in the LDC sector in Ontario were invited to participate in the Survey on Board of Director Compensation. The following thirty one (31) organizations submitted data:

- Bluewater Power Distribution Corp.
- Cambridge and North Dumfries Hydro Inc.
- Collus PowerStream Corp.
- E.L.K. Energy Inc.
- Entegrus Inc.
- Essex Power Corp.
- Festival Hydro Inc.
- Fort Frances Power Corp.
- Greater Sudbury Utilities
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corp.
- Kenora Hydro Electric Corporation Ltd.
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- Midland Power Utility Corp.
- Milton Hydro Distribution Inc.
- Northern Ontario Wires Inc.
- Oakville Hydro
- Orangeville Hydro Ltd.
- Orillia Power Distribution Corp.
- Peterborough Utilities Group
- Renfrew Hydro Inc.
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian Corp.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

Due to the changes in the participant mix, data values in the report may fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2015 over 2013.

Additionally, we have adjusted the “Revenue (excluding the cost of power)” groupings from 2013 to 2015 to account for the differing distribution of revenue figures. These groupings are consistent with the revenue groupings in the 2015 Management Salary Survey (“MSS”) compensation data tables.

**Market
 Statistics**

Where possible, statistics have been provided for all information as follows.

Where there is insufficient data to report, this has been indicated with an asterisk (*) in all data tables.

	Definition	Reporting Requirement (# of Observations Necessary to Report)
P75	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	7
P50	50th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	4
P25	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	7
Average	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	3
Typical	The arithmetic mode of all values; the most common value.	3

Participant Group Profile

All participants provided information regarding their organizational profile. The statistical summary of the organizations are as follows:

Organization Metrics

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions – excluding the cost of power)	4.7	8.4	15.0	11.0
Annual Operating Budget (\$ millions – including the cost of power)	29.3	59.0	120.1	88.5
Number of Employees (full time equivalent)	21	45	121	74
Number of Customers	11,711	22,500	48,952	33,513
Gross Revenue (\$ millions – excluding the cost of power)	4.9	12.6	28.0	18.8
Gross Revenue (\$ millions – including the cost of power)	21.8	52.7	128.5	85.6
Regulated Gross Revenue	94%	99%	100%	88%
Unregulated Gross Revenue	0%	1%	2%	4%

III. Board of Director Metrics

Board Composition & Metrics All organizations provided information regarding the number of total Board members, as well as the number of independent Board members.

For survey purposes, the following definition was provided as part of the survey package:

- Inside Director - a Board member who is an employee, officer or stakeholder in the organization.
- Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

Organizations were also asked to provide the number of Committees. Data is presented below for all organizations, and segments of the data follow.

All Organizations: Summary of Board Composition

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	5.0	7.0	9.0	7.1	9.0
Number of Independent Board Members	2.0	4.0	5.0	4.0	3.0
Number of Female Board Members ¹	0.0	1.0	1.0	0.9	0.0
Number of Committees	0.5	2.0	4.0	2.3	2.0

¹No company has a policy on female board representation

Total Number of Board Members: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	5.0	5.5	6.8	6.0	5.0
FTE 21 - 50	4.0	6.0	8.0	6.1	6.0
FTE 51 – 100	*	7.0	*	6.8	7.0
FTE 101 - 200	8.5	9.0	9.3	8.8	9.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	4.0	5.0	6.0	5.4	6.0
20,001 to 40,000	7.0	8.0	9.0	8.1	9.0
40,001 to 100,000	7.0	9.0	9.0	8.1	9.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	5.0	6.0	6.0	6.0	6.0
\$5 – \$12 Million	*	5.5	*	5.5	7.0
\$12 - \$20 Million	*	8.0	*	8.2	8.0
\$20 - \$50 Million	6.8	9.0	9.0	8.0	9.0
\$50 Million +	*	*	*	*	*
Region					
1	*	6.0	*	6.3	6.0
2	*	*	*	6.3	N/A ¹
3	*	*	*	*	*
4	5.0	6.0	8.0	6.3	6.0
5	7.5	9.0	9.0	8.1	9.0

¹ No typical size of Board in sample

Total Number of Independent Board Members: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	3.0	3.0	4.0	3.4	3.0
FTE 21 - 50	1.0	2.0	5.0	3.3	1.0
FTE 51 – 100	*	3.5	*	3.3	4.0
FTE 101 - 200	4.5	5.5	6.3	5.5	6.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	2.0	3.0	4.0	2.8	3.0
20,001 to 40,000	2.8	4.5	5.3	4.5	5.0
40,001 to 100,000	3.8	5.0	6.3	5.3	5.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	3.0	3.0	4.0	3.4	3.0
\$5 – \$12 Million	*	2.0	*	3.2	2.0
\$12 - \$20 Million	*	3.5	*	3.3	5.0
\$20 - \$50 Million	4.5	5.5	6.3	5.5	6.0
\$50 Million +	*	*	*	*	*
Region					
1	*	4.0	*	4.0	4.0
2	*	*	*	2.3	2.0
3	*	*	*	*	*
4	2.0	3.0	4.0	3.3	1.0
5	4.5	5.0	6.5	5.6	5.0

Total Number of Committees: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	0	0	1.3	0.8	0
FTE 21 - 50	1.0	2.0	4.0	2.2	2.0
FTE 51 – 100	*	2.5	*	3.0	2.0
FTE 101 - 200	2.8	3.5	4.0	3.4	4.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	0	0	2.0	1.2	0
20,001 to 40,000	2.0	2.5	4.3	3.0	2.0
40,001 to 100,000	2.0	3.0	4.0	3.1	2.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	0	0	1.0	0.7	0
\$5 – \$12 Million	*	3.0	*	2.7	4.0
\$12 - \$20 Million	*	2.5	*	3.0	2.0
\$20 - \$50 Million	2.0	3.0	4.0	3.1	2.0
\$50 Million +	*	*	*	*	*
Region					
1	*	1.0	*	1.2	0
2	*	*	*	1.3	0
3	*	*	*	*	*
4	2.0	2.0	4.0	2.7	2.0
5	1.5	2.0	3.0	2.1	3.0

**Full Board:
Meeting Frequency**

The frequency of full Board meetings by various market segments is presented in the table below.

Generally, the larger the organization the more likely they are to have Committees and therefore require less full Board meetings.

Frequency of Full Board Meetings

	P25	P50	P75	Average	Typical
All Organizations	5.0	8.0	12.0	9.4	5.0

Frequency of Full Board Meetings: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	10.8	12.0	12.0	10.9	12.0
FTE 21 - 50	6.0	10.0	13.0	9.8	5.0
FTE 51 – 100	*	6.0	*	6.0	6.0
FTE 101 - 200	5.0	5.5	9.8	10.3	5.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	10.0	12.0	13.0	11.0	12.0
20,001 to 40,000	5.0	5.5	8.5	7.0	5.0
40,001 to 100,000	5.0	6.0	9.8	10.3	6.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	11.0	12.0	12.0	11.1	12.0
\$5 – \$12 Million	*	10.0	*	9.7	10.0
\$12 - \$20 Million	*	5.5	*	6.7	5.0
\$20 - \$50 Million	5.0	6.0	9.8	10.4	5.0
\$50 Million +	*	*	*	*	*
Region					
1	*	11.0	*	9.8	6.0
2	*	*	*	7.3	5.0
3	*	*	*	*	*
4	6.0	10.0	13.0	10.5	6.0
5	5.0	5.0	8.5	6.9	5.0

**Number of
Committees**

The majority of local distribution companies have a full Board and up to two (2) committees (18 of 31, or 58.1%).

The following table details the number of Committees.

All Organizations: Number of Committees

Number of Committees	Number of Organizations
0	8
1	2
2	8
3	4
4	5
5	4
6	0

Committees

The most common types of Committee are provided below, in addition to meeting frequency.

There are common blends of Committee type. For example, fourteen (14) organizations have an Audit Committee, three (3) have a Finance committee and seven (7) have a Finance and Audit committee. Similarly, fourteen (14) organizations have a dedicated HR / Compensation Committee, and five (5) organizations have a blend of HR with Governance and Nominating.

All Organizations: Types of Sub Committee

Sub Committees		Number of Meetings				
Type	Prevalence	P25	P50	P75	Average	Typical
Audit	45 %	2.0	2.0	4.0	2.7	2.0
Human Resources / Compensation	45 %	1.3	2.0	3.8	3.0	2.0
Governance	29 %	2.0	3.0	4.0	2.6	4.0
Audit & Finance	23 %	3.0	4.0	5.0	3.9	4.0
Other	29 %	0.0	3.0	4.0	2.4	0.0
Governance / HR / Compensation / Nominating	16 %	*	2.0	*	2.4	4.0
Finance	10 %	*	*	*	1.7	N/A ¹
Nominations	16 %	*	0	*	1.2	0
Health & Safety / Environment	13 %	*	3.0	*	2.5	4.0

¹ No typical number of Committee meetings in sample

Term Limits

Organizations were asked if there is a term limit for Directors to serve on the Board. Nineteen (19) of twenty-eight (28), or 68%, did state there is a term limit and three organizations did not provide information.

Organizations were asked for term limits for the Chair, Vice Chair and Director positions. Term limits did not typically vary by position.

Term limits vary from 1 year (where incumbents must apply and be reappointed to the Board if they wish to serve for a longer period of time), up to 10 years. The market statistics are provided below.

Statistic	P25	P50	P75	Average	Typical
Number of Years	3.0	3.0	3.5	3.9	3.0

IV. Board Compensation

Types of Compensation	<p>Compensation practices vary within Boards, but the most common form of compensation is to pay an annual retainer for the Chair and Directors of the Board, as well as Vice Chair if the position exists. The majority will also pay a meeting fee.</p> <p>Directors that serve as Committee Chairs receive additional compensation, typically in the form of an additional annual retainer.</p> <p>One (1) organization does not provide compensation to their Board of Directors.</p>
Chair Compensation: Practices	<p>Thirty-one (31) organizations provided information for their Board Chair, and thirty (30) provide compensation.</p> <p>Nearly all organizations (27 of 30, or 90%) provide an annual retainer and three (3) organizations provide meeting fees only for the Board Chair. Eighteen (18) organizations or 60% provide both an annual retainer and meeting fees.</p>
Vice Chair / Lead Director Compensation: Practices	<p>Twenty (20) organizations provided information for their Vice Chair / Lead Directors, and all provided compensation.</p> <p>The majority of organizations provide an annual retainer (16 of 20, or 80%); only four (4) organizations provide meeting fees only for the Vice Chair / Lead Director. Eleven (11) organizations or 55% provide both an annual retainer as well as meeting fees.</p>
Director Compensation: Practices	<p>Thirty-one (31) organizations provided information for their Directors, though only thirty (30) provide compensation.</p> <p>Nearly all organizations (27 of 30, or 90%) provide an annual retainer and three (3) organizations provide meeting fees only for the Directors. Twenty (20) organizations or 67% provide both an annual retainer as well as meeting fees.</p>

**Board
Compensation**

The market statistics for Board Compensation in terms of annual retainer, and meeting fees, are provided in the tables below.

For all organizations, the typical amount paid to a Board Chair is \$6,000 (4 organizations), the typical amount paid to a Director is \$4,000 (2 organizations) and the typical amount paid to a Vice Chair or Lead Director is \$8,000 (2 organizations). The typical meeting fees are \$300 (Chair, 4 organizations; Lead Director or Vice Chair, 4 organizations; Director, 3 organizations).

For market segments, there are generally no typical amounts to report and thus the typical market statistic has been excluded from the following tables.

Full Board Compensation: All Organizations

Board of Directors		Annual Retainer (\$)			
		P25	P50	P75	Average
Chair	(n = 27)	6,000	8,500	10,000	9,573
Lead Director / Vice Chair	(n = 16)	5,143	6,734	8,000	6,402
Director	(n = 27)	4,350	6,147	7,350	6,281

Board of Directors		Meeting Fees (\$)			
		P25	P50	P75	Average
Chair	(n = 22)	250	300	400	360
Lead Director / Vice Chair	(n = 15)	300	325	497	407
Director	(n = 21)	400	300	400	346

Full Board Compensation: Chair Market Segments

Board of Directors	Annual Retainer - Chair (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,250	4,700	5,850	4,811
FTE 21 - 50	7,875	9,000	9,700	8,513
FTE 51 – 100	*	7,610	*	7,555
FTE 101 - 200	9,200	10,485	13,197	12,432
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,350	7,194	9,325	6,697
20,001 to 40,000	6,000	8,250	9,291	8,001
40,001 to 100,000	9,075	10,485	12,250	11,959
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,250	4,700	5,850	4,811
\$5 – \$12 Million	*	9,000	*	7,767
\$12 - \$20 Million	*	8,860	*	8,953
\$20 - \$50 Million	9,075	10,485	13,197	12,182
\$50 Million +	*	*	*	*
Region				
1	*	5,400	*	4,796
2	*	*	*	6,000
3	*	*	*	*
4	7,791	9,410	10,000	8,440
5	8,750	10,750	12,750	10,465

Board of Directors	Meeting Fees - Chair (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	94	155	221	160
FTE 21 - 50	300	300	425	428
FTE 51 – 100	*	372	*	372
FTE 101 - 200	338	370	450	418
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	183	277	313	317
20,001 to 40,000	300	400	497	447
40,001 to 100,000	325	350	370	329
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	100	210	254	317
\$5 – \$12 Million	*	300	*	300
\$12 - \$20 Million	*	447	*	423
\$20 - \$50 Million	331	360	468	421
\$50 Million +	*	*	*	*
Region				
1	*	88	*	88
2	*	*	*	250
3	*	*	*	*
4	300	325	360	381
5	300	500	500	487

Full Board Compensation: Vice Chair / Lead Director Market Segments

Board of Directors	Annual Retainer – Vice Chair / Lead Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,450	4,820	5,160	4,133
FTE 21 - 50	5,563	6,734	7,367	6,370
FTE 51 – 100	*	4,324	*	4,324
FTE 101 - 200	8,000	8,535	9,500	8,633
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,990	6,000	7,250	5,733
20,001 to 40,000	4,313	5,699	6,762	5,799
40,001 to 100,000	7,800	8,268	8,776	8,309
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,450	4,820	5,160	4,133
\$5 – \$12 Million	*	6,734	*	5,867
\$12 - \$20 Million	*	5,699	*	5,849
\$20 - \$50 Million	8,000	8,535	9,500	8,633
\$50 Million +	*	*	*	*
Region				
1	*	3,450	*	3,450
2	*	*	*	*
3	*	*	*	*
4	6,147	7,200	8,000	6,654
5	5,250	6,967	9,500	7,129

Board of Directors	Meeting Fees – Vice Chair / Lead Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	217	217	217	217
FTE 21 - 50	300	300	450	412
FTE 51 – 100	*	372	*	372
FTE 101 - 200	350	370	500	486
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	279	300	418	397
20,001 to 40,000	300	397	498	454
40,001 to 100,000	344	360	403	386
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	356	495	633	495
\$5 – \$12 Million	*	300	*	288
\$12 - \$20 Million	*	493	*	431
\$20 - \$50 Million	350	370	500	486
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	250
3	*	*	*	*
4	300	325	370	384
5	300	500	500	480

Full Board Compensation: Director Market Segments

Board of Directors	Annual Retainer – Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,625	3,910	4,955	3,949
FTE 21 - 50	4,800	6,734	7,275	6,171
FTE 51 – 100	*	4,250	*	4,287
FTE 101 - 200	6,750	7,737	8,509	8,264
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	3,455	5,646	7,025	5,289
20,001 to 40,000	4,150	5,500	6,352	5,386
40,001 to 100,000	5,625	7,100	8,509	7,542
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,625	3,910	4,955	3,949
\$5 – \$12 Million	*	6,734	*	5,945
\$12 - \$20 Million	*	5,250	*	5,475
\$20 - \$50 Million	6,750	7,737	8,509	8,014
\$50 Million +	*	*	*	*
Region				
1	*	4,000	*	3,880
2	*	*	*	4,500
3	*	*	*	*
4	5,860	6,750	7,275	6,406
5	4,275	5,734	7,947	6,073

Board of Directors	Meeting Fees – Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	94	140	188	141
FTE 21 - 50	300	300	425	396
FTE 51 – 100	*	372	*	372
FTE 101 - 200	338	370	450	418
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	161	255	313	286
20,001 to 40,000	275	400	497	439
40,001 to 100,000	325	350	370	329
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	100	181	210	268
\$5 – \$12 Million	*	300	*	290
\$12 - \$20 Million	*	447	*	423
\$20 - \$50 Million	331	360	468	421
\$50 Million +	*	*	*	*
Region				
1	*	88	*	88
2	*	*	*	250
3	*	*	*	*
4	275	325	360	361
5	300	500	500	473

**Committee
Annual Retainer**

Individuals that serve on Committees may receive additional compensation.

More than half (17 of 31, or 55%) of the organizations' committee chairs do not receive an additional retainer. In the case that it is given, it is typically reserved for the Chair only and all other members of the Committee receive meeting fees only.

The table below provides the average market statistics for the Committee Chairs annual retainers.

The results of the table below reflect more so the dispersion of data rather than the audit committee receiving a lower retainer than the other committee chairs. We observe that when additional annual retainers are provided, the majority of organizations provide the same amount to all committee chairs.

All Organizations: Annual Retainer for Committee Chair

Committee	Number of organizations providing annual retainer for Committee Chair	Average Retainer (\$)
Audit	3	1,333
Audit & Finance	3	1,933
Finance	-	-
Governance	4	1,950
Governance / HR / Compensation / Nominating	2	*
Health & Safety / Environment	1	*
HR / Compensation	3	2,267
Nominating	1	*
Other	2	*

Committee Meeting Fees

The market statistics for Committee meeting fees are provided below. Most organizations provide the same meeting fees to committee chairs and committee members.

All Organizations: Meeting Fees for Committee Chair

Committee	Number of organizations providing meeting fees	Average Meeting Fee (\$)
Audit	11	456
Audit & Finance	5	217
Finance	1	*
Governance	7	456
Governance / HR / Compensation / Nominating	3	350
Health & Safety / Environment	2	*
HR / Compensation	10	439
Nominating	4	553
Other	7	562

All Organizations: Meeting Fees for Director on a Committee

Committee	Number of organizations providing meeting fees	Average Meeting Fee (\$)
Audit	11	383
Audit & Finance	5	207
Finance	1	*
Governance	7	335
Governance / HR / Compensation / Nominating	3	350
Health & Safety / Environment	2	*
HR / Compensation	10	354
Nominating	4	341
Other	7	457

Unplanned Meetings

Organizations were asked what types of additional consideration is provided to the Board in the event of unplanned meetings. Nineteen (19) of thirty-one (61%) reporting organizations stated there is a set rate for unplanned meetings.

The following table details the data for unplanned meeting fees. The typical amount is \$250 per meeting (3 organizations).

Unplanned Meeting Fees	Unplanned Meeting Fees (\$)			
	P25	P50	P75	Average
26 organizations	205	300	447	356

Mileage

Organizations were asked if mileage is provided to Board members. The majority (81%) of organizations provide mileage reimbursement.

The following table details the data for mileage. The most common amount is \$0.55 per kilometer (6 organizations).

All Organizations

Mileage	Mileage (¢)			
	P25	P50	P75	Average
25 organizations	48	52	55	51

Added Expenses

Organizations were asked what types of additional consideration is provided to the Board, such as hotel, air / travel rates, education and director training. The table below details the market information for additional consideration.

All Organizations

Added Expenses		Typical Value
Type	Prevalence	
Hotel	n = 20	No typical values provided – typically reimbursed at cost.
Air Travel	n = 16	No typical values provided – typically reimbursed at cost, some organizations specify economy.
Education	n = 6	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall).
Training	n = 10	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall).
Other	n = 6	No typical values provided; the most common additional benefits noted were per diems for meals when travelling.

**Summary
 Compensation**

Organizations provided annual retainer information, the number of meetings and the meeting fee amount. The following tables estimate the annual total compensation to a Chair, Vice Chair and Director role within a Board; excluding additional fees earned from participation in Committees.

Full Board Annualized Compensation: All Organizations

Board of Directors		Estimated Annualized Compensation (\$)			
		P25	P50	P75	Average
Chair	(n = 30)	6,000	10,000	12,684	10,758
Lead Director / Vice Chair	(n = 20)	4,615	7,984	10,093	7,692
Director	(n = 30)	4,275	7,500	10,078	7,674

Full Board Chair Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annualized Chair Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,398	5,200	5,700	4,988
FTE 21 - 50	9,000	11,000	11,800	10,747
FTE 51 – 100	*	9,000	*	8,916
FTE 101 - 200	11,575	14,160	18,407	15,293
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,838	7,719	11,575	7,887
20,001 to 40,000	8,500	9,500	11,541	10,358
40,001 to 100,000	11,025	12,460	16,381	14,018
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,574	5,300	6,860	5,899
\$5 – \$12 Million	*	10,500	*	10,025
\$12 - \$20 Million	*	10,900	*	10,661
\$20 - \$50 Million	11,100	14,160	18,407	14,793
\$50 Million +	*	*	*	*
Region				
1	*	5,400	*	5,066
2	*	*	*	5,483
3	*	*	*	*
4	9,438	11,800	12,820	11,213
5	8,500	11,000	13,750	10,964

Full Board Vice Chair / Lead Director Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annual Vice Chair / Lead Director Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,472	3,712	4,990	3,751
FTE 21 - 50	6,188	7,984	9,575	7,507
FTE 51 – 100	*	7,046	*	7,046
FTE 101 - 200	10,385	12,000	14,341	12,690
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,266	6,500	9,575	6,480
20,001 to 40,000	4,625	6,500	9,279	7,378
40,001 to 100,000	10,314	11,193	13,156	12,278
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,603	4,820	5,500	5,008
\$5 – \$12 Million	*	7,500	*	6,493
\$12 - \$20 Million	*	8,150	*	7,910
\$20 - \$50 Million	10,385	12,000	14,341	12,690
\$50 Million +	*	*	*	*
Region				
1	*	3,450	*	3,450
2	*	*	*	1,250
3	*	*	*	*
4	6,500	9,800	10,096	8,776
5	5,563	7,484	11,117	8,194

Full Board Director Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Director Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,710	4,200	4,910	4,123
FTE 21 - 50	7,500	8,467	9,800	8,362
FTE 51 – 100	*	4,250	*	5,648
FTE 101 - 200	8,825	10,693	13,164	11,124
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	3,963	6,171	9,575	6,454
20,001 to 40,000	5,925	7,750	8,873	7,681
40,001 to 100,000	6,075	9,743	11,900	9,601
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,980	4,510	5,585	4,862
\$5 – \$12 Million	*	7,984	*	8,120
\$12 - \$20 Million	*	7,250	*	7,182
\$20 - \$50 Million	8,475	10,693	13,164	10,624
\$50 Million +	*	*	*	*
Region				
1	*	4,000	*	4,150
2	*	*	*	4,483
3	*	*	*	*
4	7,500	9,500	10,091	9,125
5	4,350	6,500	9,734	7,075

APPENDICES

A. Survey Methodology

A survey package was sent to all confirmed participants that included questions regarding the organization's policies and practices with respect to Board of Director compensation.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants.

B. Definitions – Compensation Elements

- | | |
|-----------------------------|--|
| Chair | <ul style="list-style-type: none">• Top position on the Board. Is typically voted into his or her position by a majority vote within the Board of Directors. |
| Committee Chair | <ul style="list-style-type: none">• The top position on a Board committee. |
| Vice Chair | <ul style="list-style-type: none">• Second to the Chair. Can be more than one and is also typically voted into his or her position by a majority vote within the Board of Directors. |
| Committee Vice Chair | <ul style="list-style-type: none">• Second to the committee Chair. |
| Director | <ul style="list-style-type: none">• A member of the Board. Can be classified as inside or independent (outside).
<i>Inside Director</i> - a Board member who is an employee, officer or stakeholder in the organization.
<i>Independent (Outside) Director</i> - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer. |
| Committee | <ul style="list-style-type: none">• A subgroup of the Board of Directors responsible for one specific area of governance, i.e., Budget Committee or Audit Committee |
| Retainer | <ul style="list-style-type: none">• Annual fee paid to outside directors to sit on the Board of Directors of the organization. |
| Committee Fee | <ul style="list-style-type: none">• Additional fee paid to Board members on top of annual retainer to sit on committees of the Board of Directors. |
| Meeting Fee | <ul style="list-style-type: none">• Additional fee paid to Board members on top of annual retainer for each meeting attended. Can be for general meetings or for committee meetings. |

C. Regions

Appendix 1-SEC-1(iii)

2015 MEARIE Management Compensation Survey



The MEARIE Group

2015 Management Salary Survey Of Local Distribution Companies

SURVEY REPORT

August 2015

SURVEY ADMINISTRATOR: HAY GROUP LIMITED

Table of Contents

Section

1.	Introduction	1
2.	Survey Overview	4
3.	Salary Administration.....	8
4.	Benefit Policies.....	13
5.	Benchmark Position Survey Results.....	20

Appendices

A.	Survey Methodology	26
B.	Definitions – Compensation Elements.....	27
C.	Definitions – Statistical Elements.....	28
D.	Benchmark Position Profiles	29
E.	Regions	36

1. Introduction

The MEARIE Group is pleased to present this report of the 2015 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's Local Distribution Companies to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's *HR Information Solutions* team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Hay Group, a globally renowned compensation consulting firm. Hay Group drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There are no substantial changes to the survey in 2015.

The 2015 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty (50) benchmark descriptions, supported by the Hay Group job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2016 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.

The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
 - Survey Report Executive Summary containing a complete analysis and a data summary of all the positions.
 - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
 - All Organizations
 - Region
 - Customer Base
 - Revenue
 - Number of Employees

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in the support of your organization's compensation programs.

CONFIDENTIALITY POLICY

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey (a “Survey”), as well as Hay Group Limited (Hay Group) (survey administrators) and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g., by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey will also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of Dec 2014, there are over 540 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Paul Wong, Associate Consultant at Hay Group at 416-815-6353 or paul.wong@haygroup.com.

The obligations of confidentiality set out in this policy are subject to the requirements of applicable law and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this Confidentiality Policy.

2. Survey Overview

Survey Benchmark Positions

The survey covers 50 benchmark positions representing a cross-section of the functions within member organizations. The benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group.

Senior Management	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
Administration	0006	Head of Human Resources
	1000	Executive Assistant
Engineering	1001	Administrative Assistant
	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
Operations	2003	Supervisor Engineering
	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
2507	Manager Meter Department	
	2508	Supervisor Meter Department

Supply Chain / Procurement	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
Accounting / Finance	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
Customer Service	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
Communications	5500	Director Communications
	5501	Manager Communications
Regulatory Affairs	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
Conservation / Demand	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
Information Systems	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
Human Resources	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety

Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-seven (37) organizations submitted data:

- Bluewater Power Distribution Corp.
- Cambridge and North Dumfries Hydro Inc.
- Collus PowerStream Corp.
- E.L.K. Energy Inc.
- Entegrus Inc.
- Essex Power Corp.
- Festival Hydro Inc.
- Fort Frances Power Corp.
- Greater Sudbury Utilities Inc.
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corp.
- Kenora Hydro Electric Corporation Ltd.
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Midland Power Utility Corp.
- Milton Hydro Distribution Inc.
- North Bay Hydro Distribution Ltd.
- Northern Ontario Wires Inc.
- Niagara Peninsula Energy Inc.
- Oakville Hydro
- Orangeville Hydro Ltd.
- Orillia Power Distribution Corp.
- Oshawa PUC Networks, Inc.
- Ottawa River Power Corp.
- Peterborough Utilities Group
- PUC Services Inc.
- Renfrew Hydro Inc.
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian Corp.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

Due to the changes in the participant mix, data values in the report can fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2015 over 2014.

Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below. Please note that two new questions were included in 2015 to differentiate between regulated and unregulated revenue.

The figures reported below are assessed on an “as provided” basis. Hay Group and MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	4.7	8.8	15.6	14.2
Annual Operating Budget (\$ millions, including the cost of power)	26.5	62.8	136.2	95.7
Number of Employees (full time equivalent)	28	47	123	84
Number of Customers	11,776	23,000	52,171	36,953
Gross Revenue (\$ millions, less the cost of power)	5.0	14.6	28.4	20.0
Gross Revenue (\$ millions, including the cost of power)	26.7	67.0	129.7	96.7
Regulated Gross Revenue	90%	99%	100%	85%
Unregulated Gross Revenue	0%	1%	2%	6%

All organizations noted the fiscal year ends in December.

3. Salary Administration

Salary Range Adjustments – 2015 & 2016

The most common month for adjusting salary ranges is January (over 75% of reporting organizations).

Survey participants report adjusting their salary ranges in 2015 by an overall average of 2.6%.

Survey participants report planning to adjust salary ranges in 2016 by an overall average of 2.3%.

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO (n=19)	Executive (n=20)	Director (n=18)	Management (n=25)	Professional / Technical (n=22)	Admin. (n=21)	Overall (n=26)
2015	3.3	2.7	2.4	2.2	2.3	2.5	2.6
2016	2.2	2.1	2.4	2.1	2.1	2.3	2.3

Base Salary Increases – 2015 & 2016

The most common timing for adjusting salaries is January (over 75% of reporting organizations grant annual salary increases in that month).

Survey participants report adjusting actual salaries in 2015 by an overall average of 2.8%.

For 2016, survey participants reported projected average salary increases of 2.6%.

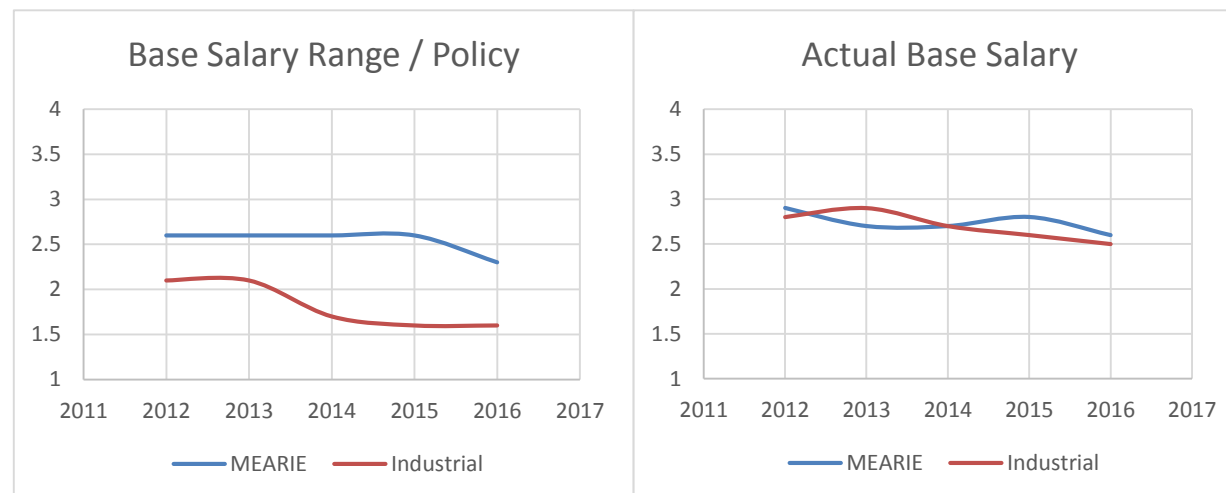
The base salary adjustments by employee level are noted in the table below.

Year	CEO (n=24)	Executive (n=18)	Director (n=11)	Management (n=27)	Professional / Technical (n=20)	Admin. (n=17)	Overall (n=29)
2015	3.4	2.7	2.3	2.7	2.4	2.2	2.8
2016	2.7	2.6	2.2	2.4	2.3	2.2	2.6

Salary Trends

Hay Group compiles an annual compensation forecast survey across Canada, with over 400 participants annually.

The graph below depicts how the overall Canadian all industrial organization market has tracked from a range and actual salary perspective versus The MEARIE Group Management Salary Survey trend information over the past 5 years.



Generally, local distribution companies track very close to the all industrial market for actual salary adjustments; generally within 0.2 percentage points. Surprisingly, local distribution companies track above the all industrial market for salary range adjustments by 0.5 - 1.0 percentage points.

The differential between actual base salary increases and salary range adjustments among local distribution companies is 0.1 - 0.3 percentage points. This same differential among all industrial organizations is 0.7 - 1.0 percentage points. This indicates that organizations may be allocating greater portions of salary budgets to differentiation by merit, and enabling high performers to perhaps be paid above job rate and/or moving people through the range faster.

Incentive Programs

A majority of organizations (22 of 37 or 59%) indicated that they offer short term incentive pay to at least some of their employees.

Sixteen (16) of the twenty-two (22) organizations who offer short term incentive pay provided information about their incentive plans.

- a. Employee participation in short term incentive (STI) plans:
 - Six (6) of the organizations indicated that all employee groups participated in STI.
 - Five (5) organizations have STI plans for designated senior management and/or executives that do not extend to non-management staff.

- b. Weighting of performance factors (corporate versus individual versus team/department performance) in the determination of individual bonus payments:
 - The average plan mix, by employee level, is provided in the table below.
 - Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff.

Performance Factor	CEO	Executive	Director	Management	Professional / Technical	Admin.
Corporate	64.6 %	50.4%	49.6%	36.1%	37.0%	32.8%
Team / Department	2.7%	6.7%	2.7%	11.8%	0.0%	0.0 %
Individual	32.7%	42.9%	47.7%	52.1%	63.0%	67.2%

Incentive Programs
 (continued)

Threshold Bonus Payouts

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance / results increase, up to a “target” bonus rate when performance goals have been “met”.

Seven (7) of the twenty-two (22) organizations with incentive plans reported that they define minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

Maximum Bonus

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 150% of target.

Maximum Bonus Payout %	CEO (n = 11)	Executive (n = 9)	Director (n = 6)	Management (n = 10)	Professional / Technical (n = 6)	Admin. (n = 6)
Average	125%	124%	133%	119%	145%	142%

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.

**Special (Project)
Bonuses**

Organizations were asked if they provide any project bonuses for participation in key / special projects, paid on successful achievement of specific milestones and/or on completion of the project, separate and distinct from annual incentive plans.

Three organizations reported providing such bonuses. There is insufficient data to provide the average value as no employee level has at least three data observations.

4. Benefit Policies

Car Benefit

The majority of organizations (29 of 37 or 78%) provide a car benefit to some level of employee.

The tables below summarize the value of car benefits, by position, where provided. An asterisk (*) indicates insufficient data to report:

		Company Owned Car (Value)	Monthly Lease Payment	Car Allowance (monthly)
CEO	P75	*	*	813
	P50	32,500	*	600
	P25	*	*	500
	Average	30,004	*	661
	Number	4	2	20
Executive / VP	P75	*	*	533
	P50	*	*	475
	P25	*	*	300
	Average	36,667	*	488
	Number	3	1	12
Sr. Management / Director	P75	*	*	528
	P50	*	*	450
	P25	*	*	300
	Average	*	*	407
	Number	2	0	7

Four (4) organizations reported providing a car benefit to specified positions below Senior Management. Specifically, two (2) organizations provide use of a company-owned vehicle and two (2) provide an allowance where the incumbent is required to be available for off-hours call-in, such as operations supervisors, line superintendents, engineers and meter supervisors.

Mileage

The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 35	Mileage Reimbursement (¢ per km)
P75	55
P50	53
P25	48
Average	51

The most frequently reported mileage rate (11 organizations) is 55 cents per kilometer; the next most frequent reported rates are 54 cents per kilometer (4 organizations).

Perquisites

Club Memberships – Fitness

Fifteen (15) organizations reported providing a subsidy for fitness club fees or provide a fitness facility on site. The typical policy is to provide a reimbursement of a fixed percentage (either 50 or 100%) up to a maximum amount per year. For eight (8) organizations, the same policy and maximum reimbursement applies regardless of job level. One (1) organization provides access to an on-site fitness facility.

	Maximum Reimbursement per year
P75	\$ 275
P50	\$ 200
P25	\$ 150
Average	\$ 215

Club Memberships – Social

None of the organizations reported having a separate policy / program for reimbursement of social club fees.

**Perquisites
 (cont'd)**

Health Spending Account

Nine (9) organizations reported providing a Health Spending Account (i.e. discretionary spending within a defined range of services / benefits).

Of the nine organizations, eight (8) provide the same funding for all jobs levels while one (1) differentiates by job level.

	CEO	Executive	Director	Management	Professional / Technical
P75	1,000	625	*	1,000	1,000
P50	500	475	450	500	450
P25	400	375	*	300	294
Average	617	556	592	589	597
Number	9	8	6	9	8

2nd Opinion Medical Advice

Three (3) organizations in the survey reported having a separate policy / program for this benefit.

Personal Financial / Legal Counseling

Three (3) organizations reported that financial and legal counseling is available via their Employee Assistance Program, which is provided to all employees.

Executive Medical Plan

Four (4) organizations reported providing enhanced medical coverage for executive levels only. Three (3) organizations reported a maximum dollar value, with an average maximum value of \$1,336.

**Perquisites
(cont'd)**

Personal Computer / Cell Phone / Internet

Six (6) organizations provided information regarding policies and practices related to computers and internet.

The most common policies/practices are:

- Low / no interest rate loans to purchase computer equipment for personal / home office use.
- Provision of laptops for particular levels of employee, in addition to office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for cell phone and/or home internet connection for selected employees (either full reimbursement or 50% reimbursement were both provided in the market place).
- Cash allowance intended to cover cell phone and/or internet service.

The value of these benefits varies dramatically by level within organizations and between organizations; the data does not lend itself to reporting of the value of typical practices. Excluding monthly cell phone allowances, allowances / loans are provided at an average value of \$795.

Other Perquisites

Other programs / practices reported, by ten (10) organizations, include:

- Reimbursement of dues / fees for professional associations such as Engineers (P.Eng) and Accountants (CGA/CMA/CA).
- Provision of an Employee Assistance Program.

Enhanced Life Insurance Coverage for Senior Officers

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs.

Fourteen (14) organizations provided information about their basic / standard life insurance coverage where the typical coverage is 2x annual salary (average coverage of 1.8x). Enhanced benefits are provided by four (4) organizations, where senior roles receive coverage at an average of 2.25x annual salary.

**Vacation
 Entitlement**

Organizations provided the number of years of service required by various levels of employee in order to be entitled to a certain number of weeks of vacation.

The following table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

Several organizations noted that for executive level jobs, vacations are typically negotiated versus following a schedule for entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	Start – 1	Start – 6	Start – 15	Start – 19	5 – 27
Average	0.9	2.3	6.6	13.1	21.8
Typical	1	3	9	17	25
Executive / VP Level					
Range	1 – 2	Start – 4	Start – 10	Start – 19	15 – 27
Average	1.1	2	6.4	13.4	22.6
Typical	1	3	10	17	25
Director Level					
Range	Start – 3	Start – 7	Start – 5	Start – 19	15 – 27
Average	1.1	2.2	7	13.6	22
Typical	1	1	9	17	25
Manager Level					
Range	0– 4	Start – 4	Start – 10	8 – 20	15 – 27
Average	1.2	2.0	7.5	15.1	22.9
Typical	1	3	9	15	25
Professional Level					
Range	Start – 1	Start – 6	Start – 15	8 – 19	15 – 28
Average	0.9	2.3	8.1	15.4	23.6
Typical	1	3	9	17	25

Unused Vacation

Organizations provided information about their policies and practices with regard to vacation time that was not fully utilized in the year in which it was earned.

Policy Regarding Carry Over	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over.	4	11%
Any/All unused vacation entitlement may be carried-over with no restrictions.	3	8%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance.	13	35%
A maximum amount of unused vacation may be carried over.	13	35%
No unused vacation may be carried over	4	11%
Total	37	100%

Maximum Number of Days to Carry Over (n=21)	Number of Days
Range	5 - 15
Average	8
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time	Number
No limit	8
One Year	8
Six Months or less	14
Total	30

Note:

Some organizations reported variations to the above policies such as:

- Six (6) of the twenty-six (26) organizations who have a maximum amount of days that can be carried over specified it as either one year entitlement or a portion of the years entitlement.
- Differences by job level exist where senior officers may carry over a greater number of days than non-senior officers.
- Differences by vacation eligibility, such as carrying over 10 days if eligible for up to 3 weeks' vacation but 20 days if eligible for 4 weeks' vacation.
- Exception policies where workload or special projects caused the employee to be unable to fully utilize vacation time, or where carry forward beyond standard policy is regularly allowed but must be approved by senior management.
- Cash out policies where some vacation time may be paid out instead of being carried over.

**Educational
Assistance /
Reimbursement**

Eighteen participating organizations (18) provided details with regards to education assistance / reimbursement policies ranging from eligibility criteria to pay back provisions. There are a wide variety of types of programs and reimbursement rates. Key highlights are provided below:

- Fourteen (14) organizations stated that there is a policy for education assistance / reimbursement; though typically there are limiters such as education or training courses which must be job related, and are subject to managerial approval.
- Four (4) organizations stated that there is no formal policy, however, approval for educational assistance or reimbursement happens regularly and is on a case by case basis.
- Three (3) organizations provided an annual reimbursement maximum, the average is \$1,625 and the median is \$1,500.
- Three (3) organizations provided a lifetime reimbursement maximum, the average is \$18,333 and the median is \$20,000.
- Payback provisions were provided by thirteen (13) organizations. The average time to not trigger any pay back provision is 2.4 years, the median is 2.0 years. The range of time is generally between 1 - 5 years and twelve (12) organizations noted they have some form of partial payment plan for leaving within a designated time period after completion of education. For example, if 4 years for no repayment, if the employee leaves in 2 years, they will be asked for 50% pay back.

5. Benchmark Position Survey Results

Survey Results

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying “Addendum”.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

All Organizations

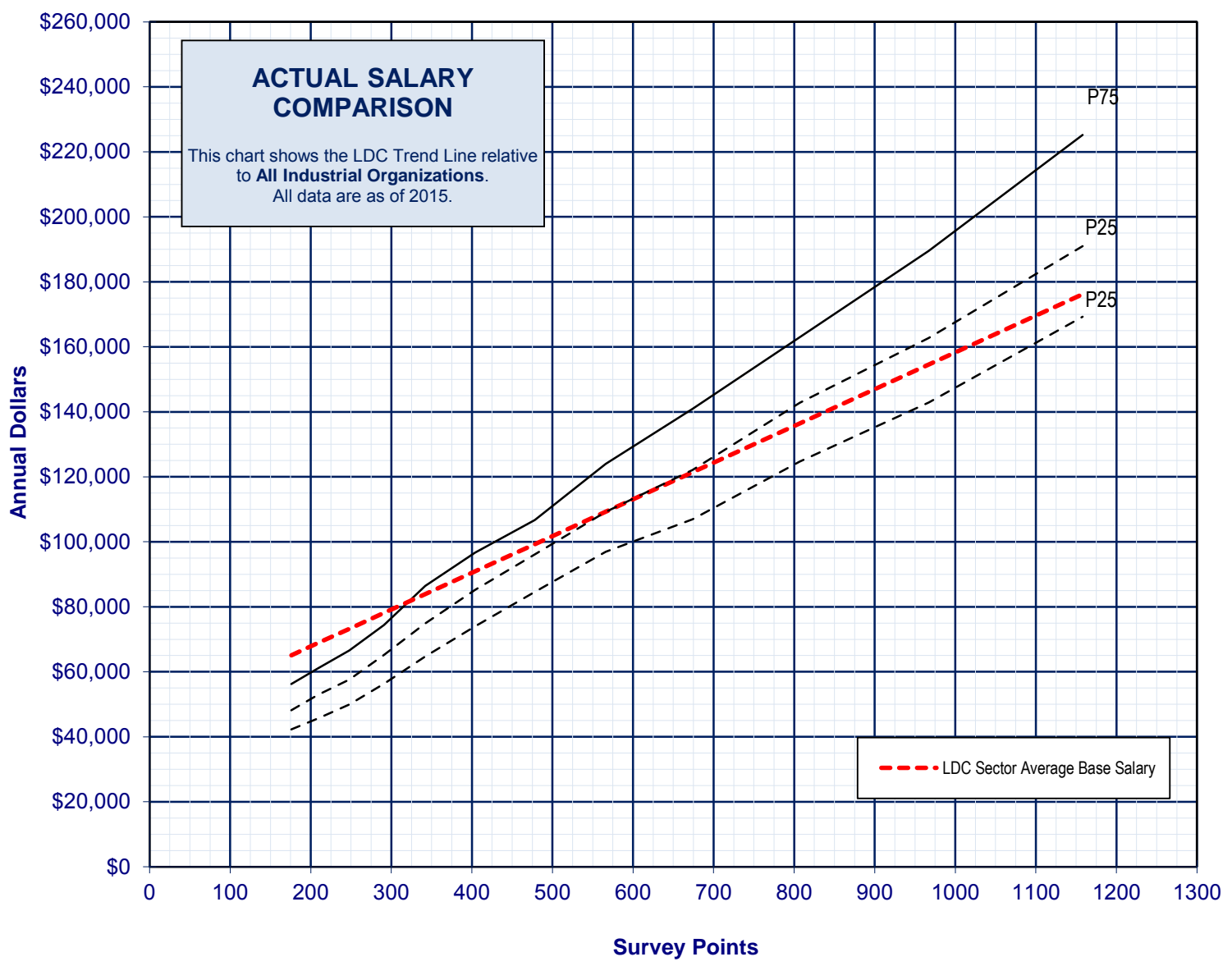
Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
		Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000	President & CEO	34	34	1192	148,500	185,000	197,900	25%	195,700	211,400	185,100	187,400	22%	205,500	219,600
0001	Chief Operating Officer (COO)	11	11	864	130,400	144,000	160,200	15%	157,800	174,700	151,500	149,900	11%	161,700	171,000
0002	Head of Operations/Engineering	20	25	872	118,700	136,900	148,900	15%	140,800	153,100	138,600	138,500	11%	142,400	148,500
0003	CFO / Head of Finance	29	29	830	121,200	141,800	148,100	15%	149,600	158,800	141,900	142,900	13%	149,900	163,100
0004	Head of Customer Service	11	11	702	108,600	127,700	146,000	14%	137,800	143,700	127,500	135,400	10%	147,500	146,300
0005	Head of Regulatory Affairs	5	5	677	111,200	120,500	138,600	14%	132,600	147,700	137,400	141,100	*	150,800	155,300
0006	Head of Human Resources	13	13	677	108,600	123,600	131,500	15%	142,200	142,400	127,900	129,300	14%	144,900	144,900
1000	Executive Assistant	25	32	245	59,500	70,100	77,500	5%	72,500	72,400	72,600	72,300	4%	74,800	75,700
1001	Administrative Assistant	12	21	184	51,400	59,100	63,600	6%	59,100	62,100	64,300	62,800	4%	64,300	63,900
2000	Director Engineering	10	11	702	104,100	130,700	137,000	10%	136,100	138,600	133,100	128,800	11%	140,100	137,600
2001	Engineering Manager	19	25	588	88,400	103,900	115,400	8%	109,100	111,000	105,900	106,300	5%	110,800	109,800
2002	Project Engineer	9	11	417	71,800	85,300	91,500	*	87,100	87,200	84,500	83,500	*	84,500	84,900
2003	Supervisor Engineering	13	16	421	80,900	92,600	101,100	6%	94,600	96,700	92,600	92,000	3%	94,500	95,100
2500	Director Operations	8	9	732	108,300	135,400	135,900	10%	141,300	139,200	132,700	128,300	10%	138,200	135,500
2501	Manager Operations	20	21	516	92,600	104,700	116,800	7%	109,800	110,600	107,200	108,500	6%	111,200	116,900
2502	Manager Control Centre	4	4	534	92,800	111,000	114,800	9%	120,000	120,200	110,400	110,600	*	121,500	119,700
2503	Supervisor Control Centre	8	8	436	79,900	94,100	101,100	5%	96,300	95,600	97,600	97,400	*	97,600	99,300
2504	Supervisor Protection and Control	5	5	496	83,400	97,900	104,200	*	99,700	104,800	99,700	98,600	*	99,700	103,400
2505	Supervisor Station Maintenance	7	7	496	83,100	99,700	103,300	*	99,700	106,300	101,100	105,900	*	103,300	109,700
2506	Line Supervisor	26	67	366	82,700	95,900	101,100	5%	96,600	98,500	97,000	97,200	4%	98,600	103,000
2507	Manager Meter Department	8	8	551	95,700	105,900	110,700	8%	116,200	117,200	109,300	108,700	6%	118,700	115,100
2508	Supervisor Meter Department	8	11	406	83,400	93,700	96,700	7%	98,300	98,200	96,900	96,600	6%	101,700	100,200

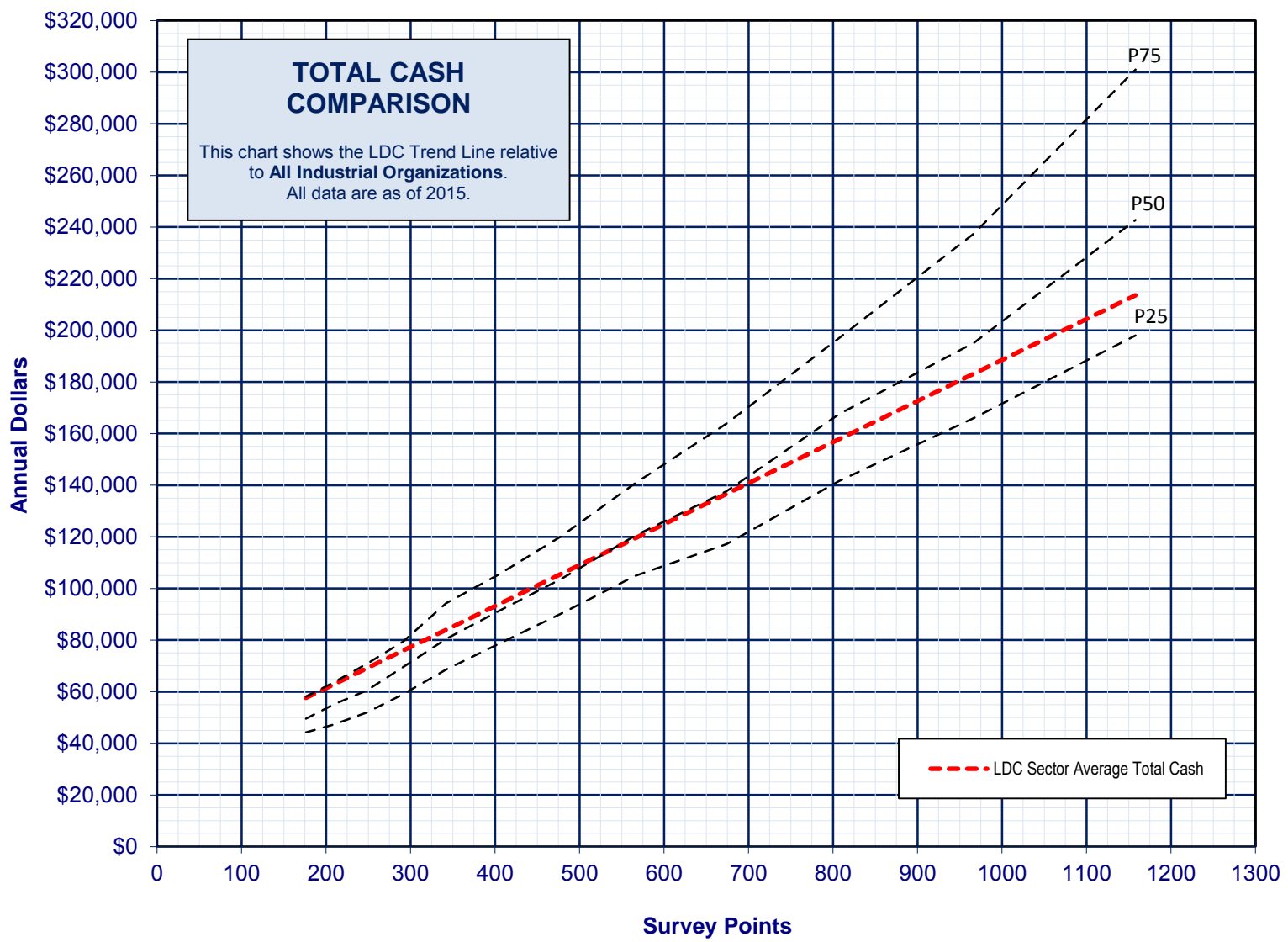
Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (*).

All Organizations

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
		Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000	Director Supply Chain Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
3001	Manager Procurement /Inventory	13	13	393	82,400	95,600	103,600	7%	101,400	98,900	97,300	97,800	6%	101,500	101,700
3002	Supervisor Stores/Inventory/Warehouse	5	8	342	70,100	81,400	88,500	*	87,100	86,300	83,200	85,500	*	87,700	88,200
4000	Controller or Director Finance	14	14	588	92,700	109,500	115,000	7%	113,600	116,100	113,900	111,500	8%	120,300	117,400
4001	Manager Accounting	14	14	479	85,900	101,700	116,600	8%	106,200	106,400	95,800	98,100	6%	98,300	102,700
4002	Manager Risk Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
4003	Supervisor Accounting	6	7	377	75,800	91,100	96,800	6%	91,100	94,200	94,200	91,600	4%	95,200	95,600
4004	Financial or Business Analyst	11	12	342	73,100	86,900	92,400	5%	88,900	90,000	83,800	85,000	4%	86,900	87,700
4005	Accountant	9	14	332	67,100	79,500	83,700	4%	79,600	80,700	79,500	76,900	2%	79,500	77,900
5000	Director Customer Service	3	3	*	*	*	*	*	*	128,200	*	116,400	*	*	123,200
5001	Manager Customer Service/Billing	20	20	479	81,200	92,600	100,300	8%	94,300	95,800	95,500	93,100	6%	97,900	99,800
5002	Supervisor Customer Service	21	31	353	70,800	86,800	89,800	5%	87,600	86,600	82,200	84,200	4%	85,600	86,500
5500	Director Communications	3	3	*	*	*	*	*	*	112,200	*	106,300	*	*	115,400
5501	Manager Communications	8	8	342	75,800	83,100	89,200	6%	87,400	87,600	84,400	83,900	5%	87,700	87,000
6000	Director Regulatory Affairs	4	4	666	117,900	132,900	143,100	15%	152,800	153,800	138,000	136,000	14%	161,800	153,400
6001	Manager Regulatory Affairs	11	11	393	81,200	92,600	96,000	8%	95,500	96,400	92,400	94,000	8%	95,500	97,900
6002	Regulatory Accountant	12	13	337	69,600	81,800	94,500	7%	82,500	85,300	81,800	84,000	5%	83,800	86,700
7000	Settlement or Rate Analyst	5	7	342	74,300	89,800	92,100	*	89,800	90,700	89,800	88,300	*	91,700	90,900
7001	Director or Officer, Conservation	7	7	805	109,900	127,700	139,100	13%	141,100	144,800	122,400	124,600	17%	139,900	148,600
7002	Manager Conservation & Demand/Marketing	12	12	393	77,900	90,900	92,800	9%	93,000	88,800	89,900	86,400	8%	95,700	93,200
8000	Director Information Systems	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
8001	Manager Information Systems and/or Security	14	18	479	86,000	96,100	103,200	5%	99,100	100,800	97,500	98,000	5%	101,100	101,500
8002	Systems/Program Administrator	15	19	332	68,700	80,100	89,900	5%	80,100	83,700	88,500	83,800	4%	93,100	90,100
9000	Human Resources Manager	5	5	479	77,900	92,100	98,900	*	92,100	95,200	97,200	89,800	*	97,200	90,900
9001	Human Resources Generalist	9	11	289	62,600	73,600	80,900	5%	75,800	79,800	79,400	77,900	3%	79,400	81,100
9002	Human Resources Coordinator	5	5	245	61,900	76,100	76,100	6%	79,400	77,000	68,200	70,500	*	71,100	73,000
9003	Payroll	12	12	245	60,600	71,400	79,500	4%	74,200	74,500	75,100	73,400	3%	77,000	75,500
9004	Manager, Health & Safety	16	16	479	83,300	97,600	107,700	7%	99,100	103,700	98,900	100,000	5%	102,400	104,900

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (*).





APPENDICES

A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration & benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and an average figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Hay Group to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Hay Group to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Hay Group has estimated at which Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.

B. Definitions – Compensation Elements

Salary Range

Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	Typically the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.
Maximum	The highest point in the salary range (or step progression). Note: might be the same as "job rate".

Short Term Incentive

Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.

Target	Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g. "the target bonus for jobs in grade/band 6 is 8% of salary".
Discretionary	Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

Current Salary

The amount paid for work performed on a regular, ongoing basis.
Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

Actual STI (Paid)

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.
May be paid during the year or after year end. (Note: recorded and reported on an annual basis)

C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting Requirement (# of Observations Necessary to Report)
P90	90th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90 th percentile and 90% would fall below	11
P75	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	7
P50	50th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	4
P25	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	7
P10	10th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	11
Average	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations	3

D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.

Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng. <u>OR</u> Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.

Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.
Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.

Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.
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Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements, and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organizations facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.
Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.

Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.

Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).

Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.
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Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.

Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

Appendix 1-SEC-1 (iv)

2016 MEARIE Management Compensation Survey



The MEARIE Group

2016 Management Salary Survey Of Local Distribution Companies

SURVEY REPORT

August 2016

SURVEY ADMINISTRATOR: Korn Ferry Hay Group

Table of Contents

Section

1.	Introduction	1
2.	Survey Overview	4
3.	Salary Administration.....	8
4.	Benefit Policies.....	14
5.	Benchmark Position Survey Results.....	21

Appendices

A.	Survey Methodology	25
B.	Definitions – Compensation Elements.....	26
C.	Definitions – Statistical Elements.....	27
D.	Benchmark Position Profiles	28
E.	Regions	36

1. Introduction

The MEARIE Group is pleased to present this report of the 2016 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's Local Distribution Companies to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's *HR Information Solutions* team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry Hay Group ("Hay Group"), a globally renowned compensation consulting firm. Hay Group drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There are no substantial changes to the survey in 2015 or 2016.

The 2016 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty (50) benchmark descriptions, supported by the Hay Group job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2017 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.

The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
 - Survey Report Executive Summary containing a complete analysis and a data summary of all the positions.
 - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
 - All Organizations
 - Region
 - Customer Base
 - Revenue
 - Number of Employees

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in the support of your organization's compensation programs.

CONFIDENTIALITY POLICY

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey (a "Survey"), as well as Hay Group (survey administrators) and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC's data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of January 2016, there are over 540 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Deirdre Chong Smith, Consultant at Korn Ferry Hay Group at 416-815-6344 or deirdre.chong@kornferry.com.

The obligations of confidentiality set out in this policy are subject to the requirements of applicable law. However, LDCs may not disclose the existence or results of a Survey to any regulatory body (or other person) unless compelled by law to do so, and if an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required. In such circumstances, the LDC will take such steps as The MEARIE Group reasonably requests, or will co-operate with respect to any steps The MEARIE Group reasonably wishes to take, to contest or limit the scope of the disclosure.

The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this Confidentiality Policy.

2. Survey Overview

Survey Benchmark Positions

The survey covers 50 benchmark positions representing a cross-section of the functions within member organizations. The benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group.

Senior Management	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
Administration	1000	Executive Assistant
	1001	Administrative Assistant
Engineering	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
Operations	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department

Supply Chain / Procurement	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
Accounting / Finance	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
	4005	Accountant
Customer Service	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
Communications	5500	Director Communications
	5501	Manager Communications
Regulatory Affairs	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
Conservation / Demand	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
Information Systems	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
Human Resources	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety

Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following forty-one (41) organizations submitted data:

- Bluewater Power Distribution
- Brantford Power Inc.
- Burlington Hydro
- Collus PowerStream Corp.
- E.L.K. Energy Inc.
- Energy+ Inc.
- Entegrus Inc.
- Enwin Utilities Ltd.
- Espanola Regional Hydro Distribution
- Essex Power
- Festival Hydro Inc.
- Fort Frances Power Corp.
- Greater Sudbury Utilities
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- Hydro Ottawa
- InnPower Corp.
- Kitchener-Wilmot Hydro Inc.
- Lakefront Utilities Inc.
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Midland Power Utility Corp.
- Milton Hydro Distribution Inc.
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Ltd.
- Northern Ontario Wires Inc.
- Oakville Hydro
- Orangeville Hydro Ltd.
- Orillia Power Distribution Corp.
- Oshawa PUC Networks, Inc.
- Peterborough Utilities Group
- PUC Services Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian
- Wasaga Resource Services
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.
- Whitby Hydro Energy Services Corp.

Due to the changes in the participant mix, data values in the report can fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data from 2016 over 2015.

Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Hay Group and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	4.5	10.0	19.0	18.2
Annual Operating Budget (\$ millions, including the cost of power)	37.4	102.5	172.5	139.6
Number of Employees (full time equivalent)	32	65	135	102
Number of Customers	13,516	36,280	55,433	48,529
Gross Revenue (\$ millions, less the cost of power)	8.5	17.1	32.2	28.3
Gross Revenue (\$ millions, including the cost of power)	41.0	109.1	198.8	151.6
Regulated Gross Revenue	97%	99%	100%	90%
Unregulated Gross Revenue	0%	1%	3%	10%

All organizations noted the fiscal year ends in December.

Analyst Note: where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, unregulated gross revenue average is 10%, which is substantially higher than the 1% median or 3% 75th percentile, indicating that within the top 25% of organizations there is a significant portion of unregulated Gross revenue in excess of 10% in a few organizations.

3. Salary Administration

**Salary Range
 Adjustments –
 2015, 2016 & 2017**

Thirty-four (34, or 83%) organizations reported data for salary ranges while 7 (17%) indicated they did not use ranges. The most common month for adjusting salary ranges is January (over 50% of reporting organizations).

Survey participants report adjusting their salary ranges in 2015 by an overall average of 1.9% (n = 32). Excluding the 3 organizations who froze ranges (i.e., provided 0%), the overall average is 2.1%.

Survey participants report adjusting their salary ranges in 2016 by an overall average of 2.1% (n=30). Excluding 2 organizations who intend to freeze ranges this year, the overall average is 2.2%.

Survey participants report planning to adjust salary ranges in 2017 by an overall average of 2.5% (n=11). No organization has projected a freeze to salary ranges at this time.

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO (n=27)	Executive (n=27)	Director (n=24)	Management (n=29)	Professional / Technical (n=29)	Admin. (n=27)	Overall (n=32)
2015	2.0%	1.9%	1.9%	1.9%	1.9%	1.8%	1.9%
2016	2.6%	2.0%	1.8%	1.9%	1.9%	1.9%	2.1%
2017	2.9%	2.5%	2.2%	2.2%	2.2%	2.2%	2.5%

*n indicates maximum number of organizations reporting.

**Base Salary
 Increases –
 2015, 2016 & 2017**

The most common timing for adjusting salaries is January (over 70% of reporting organizations grant annual salary increases in that month).

Survey participants report adjusting actual salaries in 2015 by an overall average of 2.6% (n=37).

Survey participants report adjusting actual salaries in 2016 by an overall average of 2.4% (n=34).

For 2017, survey participants reported projected average salary increases of 2.2% (n=13).

The base salary adjustments by employee level are noted in the table below.

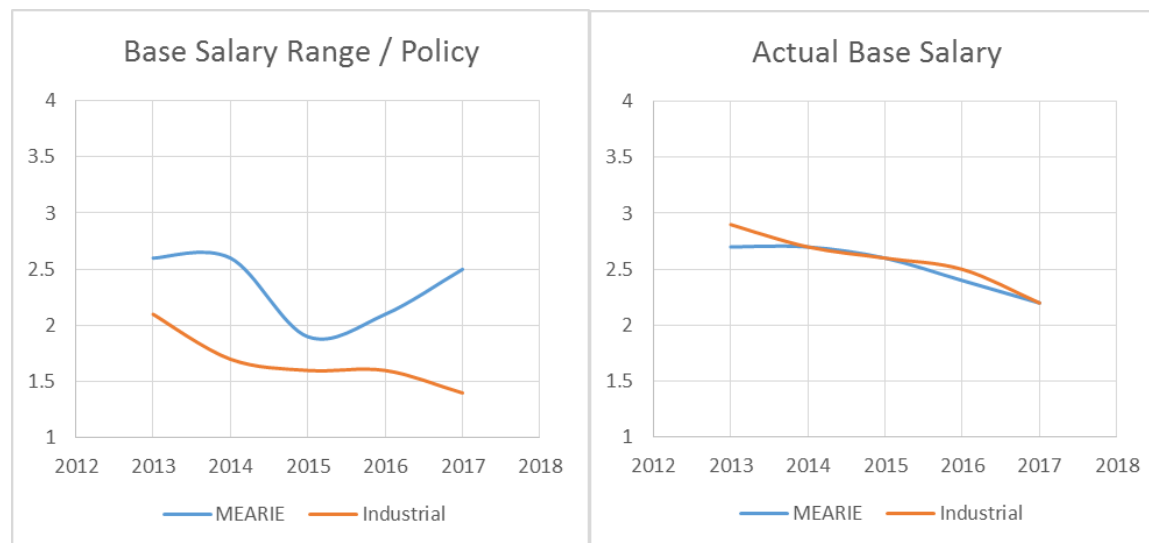
Year	CEO (n=29)	Executive (n=24)	Director (n=22)	Management (n=33)	Professional / Technical (n=28)	Admin. (n=27)	Overall (n=37)
2015	3.2%	2.1%	2.5%	2.3%	2.7%	2.0%	2.6%
2016	2.7%	2.2%	2.2%	2.3%	2.2%	2.1%	2.4%
2017	2.2%	2.2%	2.2%	2.2%	2.3%	2.3%	2.2%

*n indicates maximum number of organizations reporting.

Salary Trends

Hay Group compiles an annual compensation forecast survey across Canada, with over 500 participants annually.

The graph below depicts how the overall Canadian all-industrial organization market has tracked from a range and actual salary perspective versus The MEARIE Group Management Salary Survey trend information over the past 5 years.



Generally, local distribution companies track very close to the all-industrial market for actual salary adjustments; generally within 0.2 percentage points. Local distribution companies track above the all-industrial market for salary range adjustments by 0.3 – 1.1 percentage points.

The differential between actual base salary increases and salary range adjustments among local distribution companies is generally small, this year the average differential is 0.3 percentage points. The average differential among industrial organizations is 0.8 percentage points.

This indicates that industrial organizations may be allocating greater portions of salary budgets to differentiation by merit, and enabling high performers to perhaps be paid above job rate and/or moving people through the range faster. That is, industrial organizations are likely increasing their overall comp-ratios, whereas LDCs are generally maintaining or movement through range is very conservative.

Incentive Programs

- a. The majority of organizations (28 of 41 or 68%) indicated that they offer short term incentive pay to at least some of their employees.
- Seventeen (17) of the organizations indicated that all employee groups participated in STI.
 - Eleven (11) organizations have STI plans for designated senior management and/or executives that do not extend to non-management staff.
- b. Twenty (20) of the twenty-eight (28) organizations who offer short term incentive pay provided information about their incentive plans. Weighting of performance factors (corporate versus individual versus team/department performance) in the determination of individual bonus payments:
- The average plan mix, by employee level, is provided in the table below.
 - Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff.
 - For example:
 - The most common CEO incentive plan is 80% Corporate, 20% Individual
 - The most common Director plan is 60% Corporate, 40% Individual
 - The most common Admin plan is 20% Corporate and 80% Individual

Performance Factor	CEO	Executive	Director	Management	Professional / Technical	Admin.
Corporate	67.5%	59.8%	53.6%	42.7%	46.3%	42.0%
Team / Department	5.0%	28.0%	22.5%	26.4%	*	*
Individual	35.4%	38.8%	43.6%	53.9%	56.1%	60.2%

NOTE: As organizations are counted for each response, weightings will not add up to 100%.

**Indicates insufficient data to report.*

Incentive Programs
 (continued)

Threshold Bonus Payouts

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance / results increase, up to a “target” bonus rate when performance goals have been “met”.

Twelve (12) of the twenty-eight (28) organizations with incentive plans reported that they define minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

Maximum Bonus

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout %	CEO (n =15)	Executive (n =13)	Director (n =11)	Management (n =16)	Professional / Technical (n = 9)	Admin. (n =9)
Average	1.2	1.2	1.2	1.1	1.2	1.2

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.

**Special (Project)
Bonuses**

Organizations were asked if they provide any project bonuses for participation in key / special projects, paid on successful achievement of specific milestones and/or on completion of the project, separate and distinct from annual incentive plans.

Three (3) organizations reported providing such bonuses. There is insufficient data to provide the average value as no employee level has at least three data observations.

4. Benefit Policies

Car Benefit

The majority of organizations (34 of 41 or 83%) provide a car benefit to some level of employee.

The tables below summarize the value of car benefits, by position, where provided. An asterisk (*) indicates insufficient data to report:

		Company Owned Car (Value)	Monthly Lease Payment	Car Allowance (monthly)
CEO	P75	*	*	838
	P50	42,500	*	750
	P25	*	*	600
	Average	41,999	956	738
	Number	5	3	22
Executive / VP	P75	*	*	700
	P50	*	*	510
	P25	*	*	400
	Average	36,667	*	547
	Number	3	2	13
Sr. Management / Director	P75	*	*	517
	P50	*	*	475
	P25	*	*	350
	Average	*	*	432
	Number	2	0	8

Four (4) organizations reported providing a car benefit to specified positions below Senior Management. Specifically, three (3) organizations provide use of a company-owned vehicle and one (1) provides a vehicle allowance.

Mileage

The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 38	Mileage Reimbursement (¢ per km)
P75	54
P50	53
P25	49
Average	51

The most frequently reported mileage rate (11 organizations) is 54 cents per kilometer; the next most frequent reported rates are 55 cents per kilometer (4 organizations).

Perquisites

Club Memberships – Fitness

Seventeen (17) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed dollar amount per year. For all organizations, the same policy and maximum reimbursement applies regardless of job level.

N = 17	Maximum Reimbursement per year
P75	300
P50	200
P25	150
Average	224

Club Memberships – Social

None of the organizations reported having a separate policy / program for reimbursement of social club fees.

**Perquisites
 (cont'd)**

Health Spending Account

Eleven (11) organizations reported providing a Health Spending Account (i.e. discretionary spending within a defined range of services / benefits).

Of the eleven (11) organizations, seven (7) provide the same funding for all jobs levels while four (4) differentiates by job level.

	CEO	Executive	Director	Management	Professional / Technical
P75	950	1,025	1,000	875	1,000
P50	525	475	500	400	400
P25	363	363	375	313	300
Average	720	810	650	555	569
Number	10	10	7	10	9

2nd Opinion Medical Advice

Three (3) organizations in the survey reported having a separate policy / program for this benefit.

Personal Financial / Legal Counseling

Four (4) organizations reported that financial and legal counseling is available via their Employee Assistance Program, which is provided to all employees. One (1) of these organizations reported a maximum dollar value.

Executive Medical Plan

Four (4) organizations reported providing enhanced medical coverage for executive levels only. Three (3) organizations reported a maximum dollar value, with an average maximum value of \$1,336.

**Perquisites
(cont'd)**

Personal Computer / Cell Phone / Internet

Thirteen (13) organizations provided information regarding policies and practices related to computers and internet.

The most common policies/practices are:

- Low / no interest rate loans to purchase computer equipment for personal / home office use.
- Provision of laptops for particular levels of employee, in addition to office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for cell phone and/or home internet connection for selected employees (either full reimbursement or 50% reimbursement were both provided in the market place).
- Cash allowance intended to cover cell phone and/or internet service.

The value of these benefits varies dramatically by level within organizations and between organizations; the data does not lend itself to reporting of the value of typical practices.

Other Perquisites

Other programs / practices reported, by eight (8) organizations, include:

- Reimbursement of dues / fees for professional associations such as Engineers (P.Eng) and Accountants (CGA/CMA/CA).
- Provision of an Employee Assistance Program.

Enhanced Life Insurance Coverage for Senior Officers

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs.

Seventeen (17) organizations provided information about their basic / standard life insurance coverage where the typical coverage is 2x annual salary (average coverage of 1.65x). Enhanced benefits are provided by seven (7) organizations, where senior roles receive coverage at an average of 1.87x annual salary.

**Vacation
Entitlement**

Forty (40) organizations provided the number of years of service required by various levels of employee in order to be entitled to a certain number of weeks of vacation.

The following table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

Several organizations noted that for executive level jobs, vacations are typically negotiated versus following a schedule for entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	<i>No range</i>	<i>Start - 6</i>	<i>Start - 15</i>	<i>Start - 18</i>	<i>5 - 28</i>
Average	<i>Start</i>	3	6	13	22
Typical	<i>Start</i>	3	9	17	25
sample	n = 16	n = 23	n = 31	n = 32	n = 31
Executive / VP Level					
Range	<i>No range</i>	<i>Start - 4</i>	<i>Start - 10</i>	3 - 18	8 - 28
Average	<i>Start</i>	2	6	14	23
Typical	<i>Start</i>	3	9	17	25
sample	n = 15	n = 23	n = 29	n = 29	n = 29
Director Level					
Range	<i>No range</i>	<i>Start - 6</i>	<i>Start -15</i>	8 - 18	15 - 28
Average	<i>Start</i>	2	7	15	23
Typical	<i>Start</i>	3	9	17	25
sample	n = 17	n = 29	n = 36	n = 34	n = 34
Manager Level					
Range	<i>No range</i>	<i>Start - 4</i>	<i>Start - 10</i>	8 - 18	15 - 28
Average	<i>Start</i>	2	7	15	23
Typical	<i>Start</i>	3	9	17	25
sample	n = 16	n = 32	n = 36	n = 34	n = 33
Professional Level (n = 37)					
Range	<i>No range</i>	<i>Start - 6</i>	<i>Start - 15</i>	8 - 18	15 - 28
Average	<i>Start</i>	2	7	15	24
Typical	<i>Start</i>	3	9	17	25
sample	n = 20	n = 33	n = 36	n = 34	n = 34

Unused Vacation

Organizations provided information about their policies and practices with regard to vacation time that was not fully utilized in the year in which it was earned.

Policy Regarding Carry Over	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over.	2	5%
Any/All unused vacation entitlement may be carried-over with no restrictions.	4	11%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance.	12	32%
A maximum amount of unused vacation may be carried over.	20	50%
No unused vacation may be carried over	1	3%
Total	39	100%

Maximum Number of Days to Carry Over (n = 24)	Number of Days
Range	3 - 15
Average	7.4
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time	Number
No limit	9
One Year	8
Six Months or less	19
Total	36

Note:

Some organizations reported variations to the above policies such as:

- Seven (7) of the thirty-one (31) organizations who have a maximum amount of days that can be carried over specified it as either one year entitlement or a portion of the years entitlement.
- Exception policies where workload or special projects caused the employee to be unable to fully utilize vacation time, or where carry forward beyond standard policy is regularly allowed but must be approved by senior management.
- Cash out policies where some vacation time may be paid out instead of being carried over.
- Differences by vacation eligibility, such as carrying over 10 days if eligible for up to 3 weeks' vacation but 20 days if eligible for 4 weeks' vacation.

**Educational
Assistance /
Reimbursement**

Twenty participating organizations (20) provided details with regards to education assistance / reimbursement policies ranging from eligibility criteria to pay back provisions. There are a wide variety of types of programs and reimbursement rates. Key highlights are provided below:

- Seventeen (17) organizations stated that is education assistance / reimbursement; though typically there are limiters such as education or training courses which must be job related, and are subject to managerial approval.
- Three (3) organizations stated that there is no formal policy, however, approval for educational assistance or reimbursement happens regularly and is on a case by case basis.
- Five (5) organizations provided an annual reimbursement maximum, the average is \$1,600 and the median is \$1,500.
- Two (2) organizations provided a lifetime reimbursement maximum, there is insufficient data to report average/median.
- Payback provisions were provided by twelve (12) organizations. The average time to not trigger any pay back provision is 2.6 years, the median is 2.5 years. The range of time is between 90 days to 5 years. Eight (8) organizations noted they have some form of partial payment plan for leaving within a designated time period after completion of education. For example, if the employee leaves after 4 years, they will not be asked for any repayment; if the employee leaves in 2 years, they will be asked for 50% pay back.

5. Benchmark Position Survey Results

Survey Results

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying “Addendum”.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		Sample Statistics		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000	President & CEO	34	34	1192	148,500	185,000	197,900	25%	195,700	211,400	185,100	187,400	22%	205,500	219,600
0001	Chief Operating Officer (COO)	11	11	864	130,400	144,000	160,200	15%	157,800	174,700	151,500	149,900	11%	161,700	171,000
0002	Head of Operations and/or Engineering	20	25	872	118,700	136,900	148,900	15%	140,800	153,100	138,600	138,500	11%	142,400	148,500
0003	CFO / Head of Finance	29	29	830	121,200	141,800	148,100	15%	149,600	158,800	141,900	142,900	13%	149,900	163,100
0004	Head of Customer Service	11	11	702	108,600	127,700	146,000	14%	137,800	143,700	127,500	135,400	10%	147,500	146,300
0005	Head of Regulatory Affairs	5	5	677	111,200	120,500	138,600	14%	132,600	147,700	137,400	141,100	*	150,800	155,300
0006	Head of Human Resources	13	13	677	108,600	123,600	131,500	15%	142,200	142,400	127,900	129,300	14%	144,900	144,900
1000	Executive Assistant	25	32	245	59,500	70,100	77,500	5%	72,500	72,400	72,600	72,300	4%	74,800	75,700
1001	Administrative Assistant	12	21	184	51,400	59,100	63,600	6%	59,100	62,100	64,300	62,800	4%	64,300	63,900
2000	Director Engineering	10	11	702	104,100	130,700	137,000	10%	136,100	138,600	133,100	128,800	11%	140,100	137,600
2001	Engineering Manager and/or Distribution Engineer	19	25	588	88,400	103,900	115,400	8%	109,100	111,000	105,900	106,300	5%	110,800	109,800
2002	Project Engineer	9	11	417	71,800	85,300	91,500	*	87,100	87,200	84,500	83,500	*	84,500	84,900
2003	Supervisor Engineering	13	16	421	80,900	92,600	101,100	6%	94,600	96,700	92,600	92,000	3%	94,500	95,100
2500	Director Operations	8	9	732	108,300	135,400	135,900	10%	141,300	139,200	132,700	128,300	10%	138,200	135,500
2501	Manager Operations	20	21	516	92,600	104,700	116,800	7%	109,800	110,600	107,200	108,500	6%	111,200	116,900
2502	Manager Control Centre	4	4	534	92,800	111,000	114,800	9%	120,000	120,200	110,400	110,600	*	121,500	119,700
2503	Supervisor Control Centre	8	8	436	79,900	94,100	101,100	5%	96,300	95,600	97,600	97,400	*	97,600	99,300
2504	Supervisor Protection and Control	5	5	496	83,400	97,900	104,200	*	99,700	104,800	99,700	98,600	*	99,700	103,400
2505	Supervisor Station Maintenance	7	7	496	83,100	99,700	103,300	*	99,700	106,300	101,100	105,900	*	103,300	109,700
2506	Line Supervisor	26	67	366	82,700	95,900	101,100	5%	96,600	98,500	97,000	97,200	4%	98,600	103,000
2507	Manager Meter Department	8	8	551	95,700	105,900	110,700	8%	116,200	117,200	109,300	108,700	6%	118,700	115,100
2508	Supervisor Meter Department	8	11	406	83,400	93,700	96,700	7%	98,300	98,200	96,900	96,600	6%	101,700	100,200
3000	Director Supply Chain Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet	13	13	393	82,400	95,600	103,600	7%	101,400	98,900	97,300	97,800	6%	101,500	101,700
3002	Supervisor Stores/Inventory/Warehouse	5	8	342	70,100	81,400	88,500	*	87,100	86,300	83,200	85,500	*	87,700	88,200

ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		Sample Statistics		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
4000	Controller or Director Finance	14	14	588	92,700	109,500	115,000	7%	113,600	116,100	113,900	111,500	8%	120,300	117,400
4001	Manager Accounting	14	14	479	85,900	101,700	116,600	8%	106,200	106,400	95,800	98,100	6%	98,300	102,700
4002	Manager Risk Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
4003	Supervisor Accounting	6	7	377	75,800	91,100	96,800	6%	91,100	94,200	94,200	91,600	4%	95,200	95,600
4004	Financial or Business Analyst	11	12	342	73,100	86,900	92,400	5%	88,900	90,000	83,800	85,000	4%	86,900	87,700
4005	Accountant	9	14	332	67,100	79,500	83,700	4%	79,600	80,700	79,500	76,900	2%	79,500	77,900
5000	Director Customer Service	3	3	*	*	*	*	*	*	128,200	*	116,400	*	*	123,200
5001	Manager Customer Service and/or Billing	20	20	479	81,200	92,600	100,300	8%	94,300	95,800	95,500	93,100	6%	97,900	99,800
5002	Supervisor Customer Service and/or Billing and/or Collections	21	31	353	70,800	86,800	89,800	5%	87,600	86,600	82,200	84,200	4%	85,600	86,500
5500	Director Communications	3	3	*	*	*	*	*	*	112,200	*	106,300	*	*	115,400
5501	Manager Communications	8	8	342	75,800	83,100	89,200	6%	87,400	87,600	84,400	83,900	5%	87,700	87,000
6000	Director Regulatory Affairs	4	4	666	117,900	132,900	143,100	15%	152,800	153,800	138,000	136,000	14%	161,800	153,400
6001	Manager Regulatory Affairs	11	11	393	81,200	92,600	96,000	8%	95,500	96,400	92,400	94,000	8%	95,500	97,900
6002	Regulatory Accountant	12	13	337	69,600	81,800	94,500	7%	82,500	85,300	81,800	84,000	5%	83,800	86,700
7000	Settlement or Rate Analyst	5	7	342	74,300	89,800	92,100	*	89,800	90,700	89,800	88,300	*	91,700	90,900
7001	Director or Officer, Conservation and Demand Management	7	7	805	109,900	127,700	139,100	13%	141,100	144,800	122,400	124,600	17%	139,900	148,600
7002	Manager Conservation & Demand/Marketing	12	12	393	77,900	90,900	92,800	9%	93,000	88,800	89,900	86,400	8%	95,700	93,200
8000	Director Information Systems	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
8001	Manager Information Systems and/or Security	14	18	479	86,000	96,100	103,200	5%	99,100	100,800	97,500	98,000	5%	101,100	101,500
8002	Systems/Program Administrator or Applications/Systems Support Professional	15	19	332	68,700	80,100	89,900	5%	80,100	83,700	88,500	83,800	4%	93,100	90,100
9000	Human Resources Manager	5	5	479	77,900	92,100	98,900	*	92,100	95,200	97,200	89,800	*	97,200	90,900
9001	Human Resources Generalist	9	11	289	62,600	73,600	80,900	5%	75,800	79,800	79,400	77,900	3%	79,400	81,100
9002	Human Resources Coordinator	5	5	245	61,900	76,100	76,100	6%	79,400	77,000	68,200	70,500	*	71,100	73,000
9003	Payroll	12	12	245	60,600	71,400	79,500	4%	74,200	74,500	75,100	73,400	3%	77,000	75,500
9004	Manager, Health & Safety	16	16	479	83,300	97,600	107,700	7%	99,100	103,700	98,900	100,000	5%	102,400	104,900

APPENDICES

A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration & benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and an average figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Hay Group to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Hay Group to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Hay Group has estimated at which Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.

B. Definitions – Compensation Elements

Salary Range

Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	Typically the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.
Maximum	The highest point in the salary range (or step progression). Note: might be the same as "job rate".

Short Term Incentive

Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.

Target	Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g. "the target bonus for jobs in grade/band 6 is 8% of salary".
Discretionary	Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

Current Salary

The amount paid for work performed on a regular, ongoing basis.
Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

Actual STI (Paid)

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.
May be paid during the year or after year end. (Note: recorded and reported on an annual basis)

C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting Requirement (# of Observations Necessary to Report)
P90	90th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90 th percentile and 90% would fall below	11
P75	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	7
P50	50th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	4
P25	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	7
P10	10th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	11
Average	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations	3

D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.

Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng. <u>OR</u> Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.

Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.
Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.

Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.
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Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements, and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organizations facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.

Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.

Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization’s regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudency review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.

Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company’s Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.

Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

Appendix 1-SEC-1 (v)

2017 Board Compensation Survey



The MEARIE Group

2017 Survey on Board of Director Compensation

SURVEY REPORT

August 2017

SURVEY ADMINISTRATOR: KORN FERRY HAY GROUP

Table of Contents

Section

I.	Introduction	1
II.	Survey Overview	3
III.	Board of Director Metrics	7
IV.	Board Compensation	16

Appendices

A.	Survey Methodology.....	33
B.	Definitions – Compensation Elements.....	34
C.	Regions.....	35

I. Introduction

The MEARIE Group is pleased to present this report of the 2017 Board of Directors Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with attracting Board Members that will contribute to the oversight, support and guidance of the leadership team. The MEARIE Group established the **Survey on Board of Director Compensation** to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing Board Members.

Last offered in 2015, this biennial survey was updated in 2017 through the combined efforts of The MEARIE Group's *HR Information Solutions* team and Korn Ferry Hay Group (KFHG), to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey is enhanced through our partnership with KFHG, a globally renowned compensation consulting firm. Drawing on their expertise and experience in developing and managing corporate director surveys across all sectors of the economy and in numerous countries around the world, the 2017 survey includes:

- Analysis by LDC groupings, mirroring the Management Salary
- Analysis on Board policies and practices
- Survey reporting regarding compensation information

The survey for 2017 includes one presentation document and Excel data tables in different formats as follows:

- Survey Report containing a complete analysis of Board policies and practices, overview of survey methodology and participants and a summary of compensation data in PDF format
- LDC Board Survey data tables segmented by all organizations and various other groupings in Excel format for easy data export and analysis

In addition, we would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's Board compensation programs.

Confidentiality Policy

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Hay Group (survey administrators) and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through this Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in a way that will ensure individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Korn Ferry Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Korn Ferry Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey will also be included in the KFHG’s Canadian compensation database. Information in the KFHG database is maintained with the highest standards of confidentiality; as mentioned, analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2017, there are over 500 employers represented in the Korn Ferry Hay Group database. Should you have any questions or for further information, please contact Felix Yu, Analyst at Korn Ferry Hay Group at 647-798-3724 or felix.yu@kornferry.com.

The obligations of confidentiality set out in this policy are subject to the requirements of applicable law and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

The MEARIE Group will not be liable for breaches by participating LDCs or Korn Ferry Hay Group of this confidentiality policy.

II. Survey Overview

The Board of Directors survey covers the following key topics:

Organization Profile A brief overview of the participating organizations

Board Design Board Metrics

- Number of members
- Frequency of meetings
- Number of committees

Board Terms

Compensation Board Compensation

Annual Retainers

Meeting Fees

Committee Fees

Additional Expenses: Mileage, Hotel, Airfare and Education / Training

Participants

All organizations in the LDC sector in Ontario were invited to participate in the Survey on Board of Director Compensation. The following thirty-two (32) organizations submitted data:

- Bluewater Power Distribution
- Brantford Power Inc.
- Collus PowerStream
- E.L.K. Energy Inc.
- Energy+ Inc.
- Entegrus
- EnWin Utilities Ltd.
- Essex Power
- Festival Hydro Inc.
- Fort Frances Power Corporation
- Greater Sudbury Utilities
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corporation
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- Milton Hydro Distribution Inc
- Newmarket-Tay Power Distribution Ltd.
- Niagara Peninsula Energy Inc.
- Northern Ontario Wires Inc.
- Oakville Enterprises Corporation
- Orangeville Hydro Ltd.
- Oshawa PUC Networks
- Peterborough Utilities Group
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian
- Wasaga Distribution Inc.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.

Due to the changes in the participant mix, data values in the report may fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2017 over 2015.

Additionally, we have adjusted the “number of customers” and “number of employees (full-time equivalent)” groupings from 2015 to 2017 to account for the differing distribution of customer base and employee figures. These groupings are consistent with the revenue groupings in the 2017 Management Salary Survey (“MSS”) compensation data tables.

**Market
 Statistics**

Where possible, statistics have been provided for all information as follows.

Where there is insufficient data to report, this has been indicated with an asterisk (*) in all data tables.

	Definition	Reporting Requirement (# of Observations Necessary to Report)
P75	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	7
P50	50th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	4
P25	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	7
Average	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	3
Typical	The arithmetic mode of all values; the most common value.	3

**Participant
 Group Profile**

All participants provided information regarding their organizational profile. The statistical summary of the organizations are as follows:

Organization Metrics

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions – excluding the cost of power)	6.8	11.3	23.6	18.3
Annual Operating Budget (\$ millions – including the cost of power)	43.4	114.2	163.7	121.9
Number of Employees (full time equivalent)	31	59	133	85
Number of Customers	15,956	36,589	54,972	40,964
Gross Revenue (\$ millions – excluding the cost of power)	9.7	17.9	33.9	26.2
Gross Revenue (\$ millions – including the cost of power)	44.0	124.4	198.9	133.6
Regulated Gross Revenue	92%	99%	100%	92%
Unregulated Gross Revenue	0%	1%	8%	8%

III. Board of Director Metrics

Board Composition & Metrics All organizations provided information regarding the number of total Board members, as well as the number of independent Board members.

For survey purposes, the following definition was provided as part of the survey package:

- Inside Director - a Board member who is an employee, officer or stakeholder in the organization.
- Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

Organizations were also asked to provide the number of Committees. Data is presented below for all organizations, and segments of the data follow.

All Organizations: Summary of Board Composition

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	6.0	7.0	8.3	7.2	9.0
Number of Independent Board Members	2.0	4.0	5.0	4.0	4.0
Number of Female Board Members ¹	0.0	1.0	2.0	1.0	0.0
Number of Committees	1.5	2.0	3.0	2.4	2.0

¹Only one company has a policy on female board representation

Total Number of Board Members: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (Full-time Equivalent)					
FTE <21	5.5	7.0	8.5	7.0	9.0
FTE 21 - 50	3.5	6.0	6.5	5.3	6.0
FTE 51 – 100	*	7.5	*	7.7	7.0
FTE 101 - 180	6.8	8.0	9.0	7.8	8.0
FTE 181+	*	7.5	*	8.8	**
Number of Customers					
Up to 20,000	5.0	6.0	7.8	6.2	6.0
20,001 to 40,000	6.0	7.0	8.0	6.6	8.0
40,001 to 80,000	7.0	8.0	9.0	8.1	8.0
80,000+	*	7.5	*	8.8	**
Revenue (excluding the cost of power)					
Up to \$5 Million	*	6.0	*	6.8	9.0
\$5 – \$12 Million	5.0	6.0	7.5	6.0	6.0
\$12 - 20 Million	6.0	7.0	7.5	6.6	7.0
\$20 - \$50 Million	7.0	8.0	9.0	8.0	8.0
\$50 Million +	*	7.5	*	8.8	**
Region					
1	*	7.0	*	6.8	7.0
2	*	*	*	*	*
3	*	8.5	*	9.8	**
4	6.0	7.5	8.0	6.9	8.0
5	6.0	7.0	8.5	7.0	6.0

* Unavailable or insufficient data

** No repeated observations, hence no typical value can be shown

Total Number of Independent Board Members: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (Full-time Equivalent)					
FTE <21	3.0	4.0	4.0	3.6	4.0
FTE 21 - 50	1.5	2.0	3.0	2.4	2.0
FTE 51 – 100	*	6.0	*	5.7	6.0
FTE 101 - 180	3.5	5.0	5.3	4.3	5.0
FTE 181+	*	4.5	*	4.8	**
Number of Customers					
Up to 20,000	2.0	3.0	4.0	3.0	2.0
20,001 to 40,000	2.0	4.0	6.0	4.0	2.0
40,001 to 80,000	4.0	5.0	6.0	4.9	5.0
80,000+	*	4.5	*	4.8	**
Revenue (excluding the cost of power)					
Up to \$5 Million	*	4.0	*	3.6	4.0
\$5 – \$12 Million	2.0	2.0	3.5	2.7	2.0
\$12 - 20 Million	2.5	4.0	6.0	4.1	6.0
\$20 - \$50 Million	4.0	5.0	5.0	4.7	5.0
\$50 Million +	*	5.5	*	5.3	**
Region					
1	*	4.0	*	4.2	4.0
2	*	*	*	*	*
3	*	7.5	*	6.8	8.0
4	2.0	3.5	5.0	3.7	2.0
5	*	4.0	*	3.6	6.0

* Unavailable or insufficient data

** No repeated observations, hence no typical value can be shown

Total Number of Committees: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (Full-time Equivalent)					
FTE <21	0.0	0.0	0.5	0.4	0.0
FTE 21 - 50	*	2.0	*	2.3	2.0
FTE 51 – 100	*	3.0	*	3.0	3.0
FTE 101 - 180	2.8	3.0	3.3	3.0	3.0
FTE 181+	*	2.5	*	3.0	2.0
Number of Customers					
Up to 20,000	*	0.0	*	1.0	0.0
20,001 to 40,000	2.0	2.0	4.0	2.7	2.0
40,001 to 80,000	3.0	3.0	3.0	3.0	3.0
80,000+	*	2.5	*	3.0	2.0
Revenue (excluding the cost of power)					
Up to \$5 Million	*	*	*	*	*
\$5 – \$12 Million	*	2.0	*	2.3	2.0
\$12 - 20 Million	*	2.0	*	2.4	2.0
\$20 - \$50 Million	2.0	3.0	3.0	2.8	3.0
\$50 Million +	*	3.5	*	3.5	**
Region					
1	*	*	*	*	*
2	*	*	*	*	*
3	*	4.0	*	3.8	4.0
4	1.3	2.0	3.0	2.3	2.0
5	*	3.0	*	2.1	3.0

* Unavailable or insufficient data

** No repeated observations, hence no typical value can be shown

**Full Board:
Meeting Frequency**

The frequency of full Board meetings by various market segments is presented in the table below.

Generally, the larger the organization the more likely they are to have Committees and therefore require less full Board meetings.

Frequency of Full Board Meetings

	P25	P50	P75	Average	Typical
All Organizations	5.0	7.0	10.0	8.4	5.0

Frequency of Full Board Meetings: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (Full-time Equivalent)					
FTE <21	12.0	12.0	12.5	16.4	12.0
FTE 21 - 50	5.0	6.0	8.5	6.1	10.0
FTE 51 – 100	*	7.0	*	6.7	8.0
FTE 101 - 180	5.0	5.5	6.3	5.8	5.0
FTE 181+	*	5.5	*	6.0	5.0
Number of Customers					
Up to 20,000	10.0	12.0	12.0	13.6	12.0
20,001 to 40,000	5.0	7.0	8.0	6.0	8.0
40,001 to 80,000	5.0	6.0	7.0	6.0	6.0
80,000+	*	5.5	*	6.0	5.0
Revenue (excluding the cost of power)					
Up to \$5 Million	*	12.0	*	11.8	12.0
\$5 – \$12 Million	5.5	10.0	11.0	12.4	10.0
\$12 - 20 Million	4.5	7.0	7.5	6.1	4.0
\$20 - \$50 Million	5.0	6.0	7.0	6.1	6.0
\$50 Million +	*	5.5	*	6.0	5.0
Region					
1	*	10.0	*	9.6	**
2	*	*	*	*	*
3	*	5.5	*	5.8	5.0
4	6.3	8.0	10.0	10.6	8.0
5	4.5	5.0	6.5	5.6	5.0

* Unavailable or insufficient data

** No repeated observations, hence no typical value can be shown

**Number of
Committees**

The majority of local distribution companies have a full Board and up to three (3) committees (25 of 32, or 78.1%).

The following table details the number of Committees.

All Organizations: Number of Committees

Number of Committees	Number of Organizations
0	7
1	2
2	9
3	7
4	3
5	4
6	0

Committees

The most common types of Committee are provided below, in addition to meeting frequency.

There are common blends of Committee type. For example, nine (9) organizations have an Audit Committee, three (3) have a Finance committee and thirteen (13) have a Finance and Audit committee. Similarly, twelve (12) organizations have a dedicated HR / Compensation Committee, and eight (8) organizations have a blend of HR with Governance and Nominating.

All Organizations: Types of Sub Committee

Sub Committees		Number of Meetings				
Type	Prevalence	P25	P50	P75	Average	Typical
Audit	34%	2.0	2.0	4.0	2.8	4.0
Audit & Finance	34%	2.0	5.0	5.0	4.1	5.0
Finance	13%	*	1.5	*	1.8	**
Governance	41%	2.0	3.0	4.0	2.7	4.0
Governance / HR / Compensation / Nominating	19%	*	3.5	*	3.2	4.0
Health & Safety / Environment	9%	*	*	*	3.3	4.0
HR / Compensation	38%	2.0	2.5	4.0	2.7	2.0
Nominations	16%	*	1.0	*	1.4	0.0
Other	31%	0.0	1.5	2.8	1.6	0.0

* Unavailable or insufficient data

** No repeated observations, hence no typical value can be shown

Term Limits

Organizations were asked if there is a term limit for Directors to serve on the Board. Eighteen (18) of twenty-seven (27), or 67%, did state there is a term limit and five (5) organizations did not provide information.

Organizations were asked for term limits for the Chair, Vice Chair and Director positions. Term limits did not typically vary by position.

The market statistics for term limits are provided below.

Statistic	P25	P50	P75	Average	Typical
Number of Years	3.0	3.0	3.6	3.3	3.0

IV. Board Compensation

Types of Compensation	<p>Compensation practices vary within Boards, but the most common form of compensation is to pay an annual retainer for the Chair and Directors of the Board, as well as Vice Chair if the position exists. The majority will also pay a meeting fee.</p> <p>Directors that serve as Committee Chairs receive additional compensation, typically in the form of an additional annual retainer.</p> <p>Two (2) organizations did not provide compensation to their Board of Directors.</p>
Chair Compensation: Practices	<p>Thirty (30) organizations provided information for their Board Chair, and thirty (30) provide compensation.</p> <p>Nearly all organizations (29 of 30, or 97%) provide an annual retainer and one (1) organization provides meeting fees only for the Board Chair. Twenty (20) organizations or 67% provide both an annual retainer and meeting fees.</p>
Vice Chair / Lead Director Compensation: Practices	<p>Twenty-one (21) organizations provided information for their Vice Chair / Lead Directors, and all provided compensation.</p> <p>The majority of organizations provide an annual retainer (17 out of 21, or 81%); sixteen (16) organizations provide meeting fees for the Vice Chair / Lead Director. Twelve (12) organizations or 57% provide both an annual retainer as well as meeting fees.</p>
Director Compensation: Practices	<p>Thirty (30) organizations provided information for their Directors. All provided compensation.</p> <p>Nearly all organizations (28 of 30, or 93%) provide an annual retainer and twenty-one (21) organizations provide meeting fees only for the Directors. Nineteen (19) organizations or 63% provide both an annual retainer as well as meeting fees.</p>

Board Compensation

The market statistics for Board Compensation in terms of annual retainer, and meeting fees, are provided in the tables below.

For all organizations, the typical amount paid to a Board Chair is \$12,000 (3 organizations), the typical amount paid to a Director is \$5,000 (3 organizations) and the typical amount paid to a Vice Chair or Lead Director is \$9,000 (2 organizations). The typical meeting fees are \$300 for Chair (3 organizations) and Vice Chair/Lead Director (2 organizations), and \$250 for Director (3 organizations).

For market segments, there are generally no typical amounts to report and thus the typical market statistic has been excluded from the following tables.

Full Board Compensation: All Organizations

Board of Directors	Annual Retainer (\$)			
	P25	P50	P75	Average
Chair (n = 29)	6,000	9,737	12,000	10,929
Lead Director / Vice Chair (n = 17)	5,000	8,000	9,500	7,781
Director (n = 28)	4,951	6,860	8,672	7,441

Board of Directors	Meeting Fees (\$)			
	P25	P50	P75	Average
Chair (n = 21)	250	350	400	359
Lead Director / Vice Chair (n = 16)	288	393	505	443
Director (n = 21)	250	350	400	365

Full Board Compensation: Chair Market Segments

Board of Directors	Annual Retainer - Chair (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	6,000	*	6,977
FTE 21 - 50	*	9,800	*	9,100
FTE 51 – 100	*	9,869	*	11,956
FTE 101 - 180	7,875	10,300	13,345	12,010
FTE 181+	*	12,405	*	14,909
Number of Customers				
Up to 20,000	5,850	9,147	10,448	8,310
20,001 to 40,000	5,750	8,869	10,500	8,515
40,001 to 80,000	7,500	11,000	13,000	13,633
80,000+	*	12,405	*	14,909
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	4,800
\$5 – \$12 Million	*	9,800	*	9,681
\$12 - 20 Million	6,500	9,737	11,000	8,534
\$20 - \$50 Million	7,500	11,000	13,000	12,199
\$50 Million +	*	20,050	*	18,732
Region				
1	*	4,200	*	4,475
2	*	*	*	*
3	*	29,214	*	26,357
4	6,673	9,669	10,750	8,909
5	*	13,000	*	11,576

* Unavailable or insufficient data

Board of Directors	Meeting Fees - Chair (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	221	*	195
FTE 21 - 50	*	300	*	330
FTE 51 – 100	*	*	*	1,590
FTE 101 - 180	*	400	*	458
FTE 181+	*	*	*	395
Number of Customers				
Up to 20,000	*	243	*	238
20,001 to 40,000	275	400	511	442
40,001 to 80,000	*	400	*	1,085
80,000+	*	*	*	395
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	187
\$5 – \$12 Million	*	300	*	292
\$12 - 20 Million	*	400	*	374
\$20 - \$50 Million	343	400	773	961
\$50 Million +	*	*	*	*
Region				
1	*	*	*	1,392
2	*	*	*	*
3	*	*	*	*
4	263	300	376	325
5	*	500	*	551

* Unavailable or insufficient data

Full Board Compensation: Vice Chair / Lead Director Market Segments

Board of Directors	Retainer - Vice Chair (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	*	*	*
FTE 21 - 50	*	8,500	*	7,749
FTE 51 – 100	*	*	*	9,664
FTE 101 - 180	*	8,100	*	7,843
FTE 181+	*	*	*	*
Number of Customers				
Up to 20,000	*	8,500	*	7,860
20,001 to 40,000	*	6,246	*	6,557
40,001 to 80,000	*	9,000	*	10,140
80,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	*
\$5 – \$12 Million	*	*	*	8,880
\$12 - 20 Million	*	6,000	*	5,798
\$20 - \$50 Million	8,000	9,000	9,928	9,979
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	*
3	*	*	*	*
4	6,492	8,000	9,000	7,292
5	*	*	*	7,952

* Unavailable or insufficient data

Board of Directors	Meeting Fees - Vice Chair (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	*	*	*
FTE 21 - 50	*	300	*	325
FTE 51 – 100	*	*	*	1,590
FTE 101 - 180	*	400	*	519
FTE 181+	*	*	*	599
Number of Customers				
Up to 20,000	*	*	*	*
20,001 to 40,000	275	400	511	442
40,001 to 80,000	*	513	*	1,319
80,000+	*	*	*	599
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	*
\$5 – \$12 Million	*	*	*	*
\$12 - 20 Million	*	400	*	374
\$20 - \$50 Million	*	513	*	1,097
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	*
3	*	*	*	*
4	275	300	393	344
5	*	563	*	567

* Unavailable or insufficient data

Full Board Compensation: Director Market Segments

Board of Directors	Retainer - Director (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	4,802	*	5,652
FTE 21 - 50	*	7,600	*	6,867
FTE 51 – 100	*	5,000	*	7,698
FTE 101 - 180	6,000	7,600	8,532	7,991
FTE 181+	*	9,800	*	9,113
Number of Customers				
Up to 20,000	4,802	6,860	8,250	6,558
20,001 to 40,000	4,750	5,500	6,870	5,703
40,001 to 80,000	5,750	7,600	10,025	9,225
80,000+	*	9,800	*	9,113
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	4,034
\$5 – \$12 Million	*	7,600	*	7,560
\$12 - 20 Million	4,250	5,000	6,246	5,214
\$20 - \$50 Million	6,900	8,250	8,672	9,016
\$50 Million +	*	12,700	*	10,563
Region				
1	*	*	*	4,434
2	*	*	*	*
3	*	14,726	*	14,364
4	5,000	6,860	8,000	6,654
5	*	8,500	*	7,286

* Unavailable or insufficient data

Board of Directors	Meeting Fees - Director (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	202	*	176
FTE 21 - 50	*	300	*	320
FTE 51 – 100	*	*	*	1,590
FTE 101 - 180	*	400	*	499
FTE 181+	*	*	*	395
Number of Customers				
Up to 20,000	*	221	*	226
20,001 to 40,000	250	400	511	434
40,001 to 80,000	*	400	*	1,135
80,000+	*	*	*	395
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	162
\$5 – \$12 Million	*	275	*	279
\$12 - 20 Million	*	400	*	374
\$20 - \$50 Million	393	400	773	997
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	*
3	*	*	*	*
4	250	300	393	323
5	*	500	*	536

* Unavailable or insufficient data

**Committee
 Annual Retainer**

Individuals that serve on Committees may receive additional compensation.

Most (19 out of the 25 organizations with Committees, or 76%) of the organizations' committee chairs do not receive an additional retainer. In the case that it is given, it is typically reserved for the Chair only and most other members of the Committee receive meeting fees only. Some receive neither.

The table below provides the average market statistics for the Committee Chairs annual retainers. In addition, the results reflect more of the dispersion of fees? rather than the audit committee receiving a lower retainer than the other committee chairs. For example, when additional annual retainers are provided, the majority of organizations provide the same amount to all committee chairs.

All Organizations: Annual Retainer for Committee Chair

Committee	Number of Organizations Providing Annual Retainer for Committee Chair	Average Retainer (\$)
Audit	3	4167
Audit & Finance	3	1933
Finance	Less than 3	*
Governance	4	1950
Governance / HR / Compensation / Nominating	Less than 3	*
Health & Safety / Environment	Less than 3	*
HR / Compensation	3	2267
Nominations	Less than 3	*
Other	Less than 3	*

Committee Meeting Fees The market statistics for Committee meeting fees are provided below. Most organizations provide the same meeting fees to committee chairs and committee members.

All Organizations: Meeting Fees for Committee Chair

Committee	Number of Organizations Providing Meeting Fees for Committee Chair	Average Meeting Fee (\$)
Audit	9	537
Audit & Finance	7	256
Finance	Less than 3	*
Governance	8	467
Governance / HR / Compensation / Nominating	5	380
Health & Safety / Environment	Less than 3	*
HR / Compensation	8	524
Nominations	Less than 3	*
Other	7	597

All Organizations: Meeting Fees for Director on a Committee

Committee	Number of Organizations Providing Meeting Fees for Director	Average Meeting Fee (\$)
Audit	9	449
Audit & Finance	7	249
Finance	Less than 3	*
Governance	8	356
Governance / HR / Compensation / Nominating	5	380
Health & Safety / Environment	Less than 3	*
HR / Compensation	8	418
Nominations	Less than 3	*
Other	7	498

Unplanned Meetings

Organizations were asked what types of additional consideration is provided to the Board in the event of unplanned meetings. Fourteen (14) of thirty-two (32), or 44% of reporting organizations stated there is a set rate for unplanned meetings.

The following table details the data for unplanned meeting fees. The typical amount is \$400 per meeting (3 organizations).

Unplanned Meeting Fees	Unplanned Meeting Fees (\$)			
	P25	P50	P75	Average
14 organizations	238	350	400	351

Mileage

Organizations were asked if mileage is provided to Board members. The majority (72%) of organizations provide mileage reimbursement.

The following table details the data for mileage. The most common amount is \$0.54 per kilometer (10 organizations).

All Organizations

Mileage	Mileage (¢)			
	P25	P50	P75	Average
23 organizations	50	53	54	52

Added Expenses

Organizations were asked what types of additional consideration is provided to the Board, such as hotel, air/travel rates, education and director training. The table below details the market information for additional consideration.

All Organizations

Added Expenses		Typical Value
Type	Prevalence	
Hotel	n = 20	No typical values provided – typically reimbursed at cost.
Air Travel	n = 17	No typical values provided – typically reimbursed at cost, some organizations specify economy or best rate available.
Education	n = 11	No typical value provided; there may be 100% coverage for some maximum dollar amount.
Training	n = 13	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall).
Other	n = 9	No typical values provided; the most common additional benefits noted were per diems for meals when travelling, or allowance or provision of electronic equipment.

Summary Compensation Organizations provided annual retainer information, the number of meetings and the meeting fee amount. The following tables estimate the annual total compensation to a Chair, Vice Chair and Director role within a Board; excluding additional fees earned from participation in Committees.

Full Board Annualized Compensation: All Organizations

Board of Directors	Estimated Annualized Compensation (\$)			
	P25	P50	P75	Average
Chair (n = 30)	8,250	11,795	15,644	13,333
Lead Director / Vice Chair (n = 21)	5,305	9,000	11,396	9,569
Director (n = 30)	6,125	9,202	11,519	9,730

Full Board Chair Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annualized Chair Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	7,050	*	8,505
FTE 21 - 50	*	11,575	*	10,842
FTE 51 – 100	*	12,953	*	17,609
FTE 101 - 180	9,225	11,900	16,839	13,876
FTE 181+	*	15,168	*	16,816
Number of Customers				
Up to 20,000	5,400	11,350	11,800	9,575
20,001 to 40,000	8,625	9,800	13,526	10,892
40,001 to 80,000	9,600	14,200	26,600	17,714
80,000+	*	15,168	*	16,816
Revenue (excluding the cost of power)				
Up to \$5 Million	*	4,575	*	5,245
\$5 – \$12 Million	*	11,795	*	12,366
\$12 - 20 Million	8,550	10,000	12,700	10,165
\$20 - \$50 Million	9,600	14,200	18,981	17,005
\$50 Million +	*	21,850	*	20,157
Region				
1	*	6,750	*	11,813
2	*	*	*	*
3	*	29,214	*	26,707
4	9,150	11,570	12,926	11,170
5	*	14,063	*	12,473

* Unavailable or insufficient data

Full Board Vice Chair / Lead Director Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annualized Vice Chair/Lead Director Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	*	*	5,709
FTE 21 - 50	*	9,000	*	7,939
FTE 51 – 100	*	15,330	*	15,728
FTE 101 - 180	*	9,900	*	10,180
FTE 181+	*	*	*	6,710
Number of Customers				
Up to 20,000	*	9,000	*	7,185
20,001 to 40,000	5,375	7,600	11,028	8,337
40,001 to 80,000	*	12,413	*	14,421
80,000+	*	*	*	6,710
Revenue (excluding the cost of power)				
Up to \$5 Million	*	*	*	*
\$5 – \$12 Million	*	9,320	*	7,860
\$12 - 20 Million	*	7,600	*	8,081
\$20 - \$50 Million	9,844	12,413	16,216	14,026
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	*
3	*	*	*	12,234
4	6,675	9,320	10,445	8,297
5	*	9,563	*	9,191

* Unavailable or insufficient data

Full Board Director Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annualized Director Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (Full-time Equivalent)				
FTE <21	*	6,151	*	7,252
FTE 21 - 50	*	8,975	*	8,526
FTE 51 - 100	*	7,830	*	12,068
FTE 101 - 180	7,325	10,600	12,026	10,094
FTE 181+	*	12,563	*	11,019
Number of Customers				
Up to 20,000	4,802	8,950	9,639	7,918
20,001 to 40,000	6,125	7,550	9,718	8,018
40,001 to 80,000	6,500	11,200	14,600	12,492
80,000+	*	12,563	*	11,019
Revenue (excluding the cost of power)				
Up to \$5 Million	*	4,026	*	4,447
\$5 - \$12 Million	*	9,320	*	10,162
\$12 - 20 Million	4,750	6,500	8,502	6,845
\$20 - \$50 Million	10,000	11,200	13,229	13,031
\$50 Million +	*	14,500	*	11,988
Region				
1	*	5,401	*	10,513
2	*	*	*	*
3	*	14,726	*	14,714
4	7,500	9,320	10,495	9,058
5	*	9,063	*	8,749

* Unavailable or insufficient data

APPENDICES

A. Survey Methodology

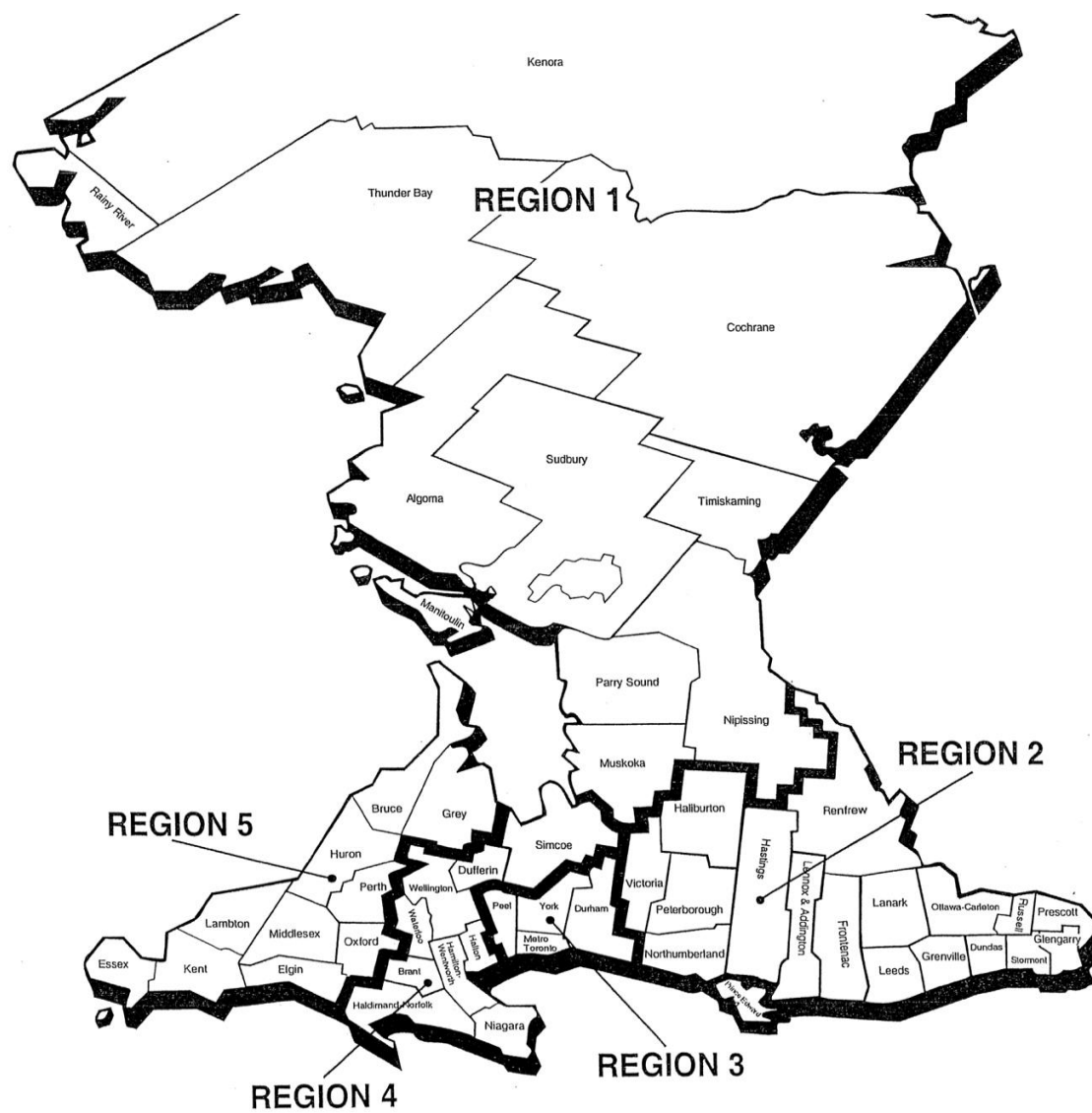
A survey package was sent to all confirmed participants that included questions regarding the organization's policies and practices with respect to Board of Director compensation.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants.

B. Definitions – Compensation Elements

- | | |
|-----------------------------|--|
| Chair | <ul style="list-style-type: none">• Top position on the Board. Is typically voted into his or her position by a majority vote within the Board of Directors. |
| Committee Chair | <ul style="list-style-type: none">• The top position on a Board committee. |
| Vice Chair | <ul style="list-style-type: none">• Second to the Chair. Can be more than one and is also typically voted into his or her position by a majority vote within the Board of Directors. |
| Committee Vice Chair | <ul style="list-style-type: none">• Second to the committee Chair. |
| Director | <ul style="list-style-type: none">• A member of the Board. Can be classified as inside or independent (outside).
<i>Inside Director</i> - a Board member who is an employee, officer or stakeholder in the organization.
<i>Independent (Outside) Director</i> - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer. |
| Committee | <ul style="list-style-type: none">• A subgroup of the Board of Directors responsible for one specific area of governance, i.e., Budget Committee or Audit Committee |
| Retainer | <ul style="list-style-type: none">• Annual fee paid to outside directors to sit on the Board of Directors of the organization. |
| Committee Fee | <ul style="list-style-type: none">• Additional fee paid to Board members on top of annual retainer to sit on committees of the Board of Directors. |
| Meeting Fee | <ul style="list-style-type: none">• Additional fee paid to Board members on top of annual retainer for each meeting attended. Can be for general meetings or for committee meetings. |

C. Regions



Appendix 1-SEC-1 (vi)

2017 MEARIE Management Compensation Survey

The MEARIE Group

2017 Management Salary Survey Of Local Distribution Companies



SURVEY REPORT

August 2017

SURVEY ADMINISTRATOR: Korn Ferry Hay Group

Table of Contents

Section

1.	Introduction	1
2.	Survey Overview	4
3.	Salary Administration.....	8
4.	Benefit Policies.....	14
5.	Benchmark Position Survey Results.....	21

Appendices

A.	Survey Methodology	25
B.	Definitions – Compensation Elements.....	26
C.	Definitions – Statistical Elements.....	27
D.	Benchmark Position Profiles	28
E.	Regions	36

1. Introduction

The MEARIE Group is pleased to present this report of the 2017 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, Local Distribution Companies (LDCs) are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's LDCs to assist you and in understanding the competitive landscape and support your efforts in developing pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's *HR Information Solutions* team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Korn Ferry Hay Group ("Hay Group"), a globally renowned compensation consulting firm. Hay Group drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There are no substantial changes to the survey in from 2015 to 2017.

The 2017 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty (50) benchmark descriptions, supported by the Hay Group job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2017 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.

The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
 - Survey Report Executive Summary containing a complete analysis and a data summary of all the positions.
 - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
 - All Organizations
 - Region
 - Customer Base
 - Revenue
 - Number of Employees

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's compensation programs.

CONFIDENTIALITY POLICY

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey (a “Survey”), as well as Hay Group (survey administrators) and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey may also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of May 2017, there are over 500 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Felix Yu, analyst at Korn Ferry Hay Group at 647-798-3724 or felix.yu@kornferry.com.

The obligations of confidentiality set out in this policy are subject to the requirements of applicable law. However, LDCs may not disclose the existence or results of a Survey to any regulatory body (or other person) unless compelled by law to do so, and if an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required. In such circumstances, the LDC will take such steps as The MEARIE Group reasonably requests, or will co-operate with respect to any steps The MEARIE Group reasonably wishes to take, to contest or limit the scope of the disclosure.

The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this Confidentiality Policy.

2. Survey Overview

Survey Benchmark Positions

The survey covers 50 benchmark positions representing a cross-section of the functions within member organizations. The benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group.

Senior Management	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
	0006	Head of Human Resources
Administration	1000	Executive Assistant
	1001	Administrative Assistant
Engineering	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
Operations	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department

Supply Chain / Procurement	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
Accounting / Finance	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
4005	Accountant	
Customer Service	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
Communications	5500	Director Communications
	5501	Manager Communications
Regulatory Affairs	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
Conservation / Demand	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
Information Systems	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
Human Resources	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety

Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-five (35) organizations submitted data:

- Bluewater Power Distribution
- Brantford Power Inc.
- Burlington Hydro
- Collus PowerStream
- E.L.K. Energy Inc.
- Energy+ Inc.
- Entegrus
- EnWin Utilities Ltd.
- Essex Power
- Festival Hydro Inc.
- Fort Frances Power Corporation
- Greater Sudbury Utilities
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corporation
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Milton Hydro Distribution Inc
- Newmarket-Tay Power Distribution Ltd.
- Niagara Peninsula Energy Inc.
- North Bay Hydro Distribution Limited
- Northern Ontario Wires Inc.
- Oakville Enterprises Corporation
- Orangeville Hydro Ltd.
- Oshawa PUC Networks
- Peterborough Utilities Group
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian
- Wasaga Distribution Inc.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.

Due to the changes in the participant mix, data values in the report can fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data from 2017 over 2016.

Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below.

The figures reported below are assessed on an “as provided” basis. Korn Ferry Hay Group and the MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	6.9	12.0	25.0	18.8
Annual Operating Budget (\$ millions, including the cost of power)	45.4	125.2	203.8	133
Number of Employees (full time equivalent)	33	59	131	84
Number of Customers	16,868	36,720	57,160	44,495
Gross Revenue (\$ millions, less the cost of power)	10.1	18.8	34.3	27.2
Gross Revenue (\$ millions, including the cost of power)	46.4	128.2	213.4	145.3
Regulated Gross Revenue	93%	99%	100%	93%
Unregulated Gross Revenue	0%	1%	7%	7%

All organizations noted the fiscal year ends in December.

Analyst Note: where average is significantly higher or lower than the median of the market, this indicates a small number of observations which skew the data either high or low. For example, unregulated gross revenue average is 7%, which is substantially higher than the 1% at median, indicating that within the top 25% of organizations there is a significant portion of unregulated Gross revenue in excess of 10% in a few organizations.

3. Salary Administration

**Salary Range
 Adjustments –
 2016, 2017, 2018**

Thirty (30, or 86%) organizations reported data for salary ranges while 5 (14%) indicated they did not use ranges. The most common month for adjusting salary ranges is January (over 75% of reporting organizations).

In 2016, twenty-six (26) organizations reported adjustment to salary ranges, while four (4) organizations froze their ranges (i.e., provided 0%). Excluding the 4 organizations who froze ranges (i.e., provided 0%), the average range increase is 2.1%.

In 2017, twenty-five (25) organizations reported adjustment to salary ranges, while five (5) froze their ranges. Excluding the five (5) organizations that froze their ranges (i.e., provided 0%), the overall average salary range increase is 1.9%.

Survey participants report planning to adjust salary ranges in 2018 by an overall average of 2.1% (n=11).

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO	Executive	Director	Management	Professional /Technical	Admin	Overall
2016	1.8%	1.6%	1.6%	1.7%	1.5%	1.7%	2.1%
2017	1.9%	1.6%	1.7%	1.7%	1.6%	1.7%	1.9%
2018	2.0%	2.0%	2.0%	2.3%	2.0%	2.3%	2.1%

**Base Salary
 Increases –
 2016, 2017, 2018**

The most common timing for adjusting salaries is January (over 50% of reporting organizations grant annual salary increases in that month).

Survey participants report adjusting actual salaries in 2016 by an overall average of 2.4% (n=34).

Survey participants report adjusting actual salaries in 2017 by an overall average of 2.3% (n=26).

For 2018, survey participants reported projected average salary increases of 2.2% (n=14).

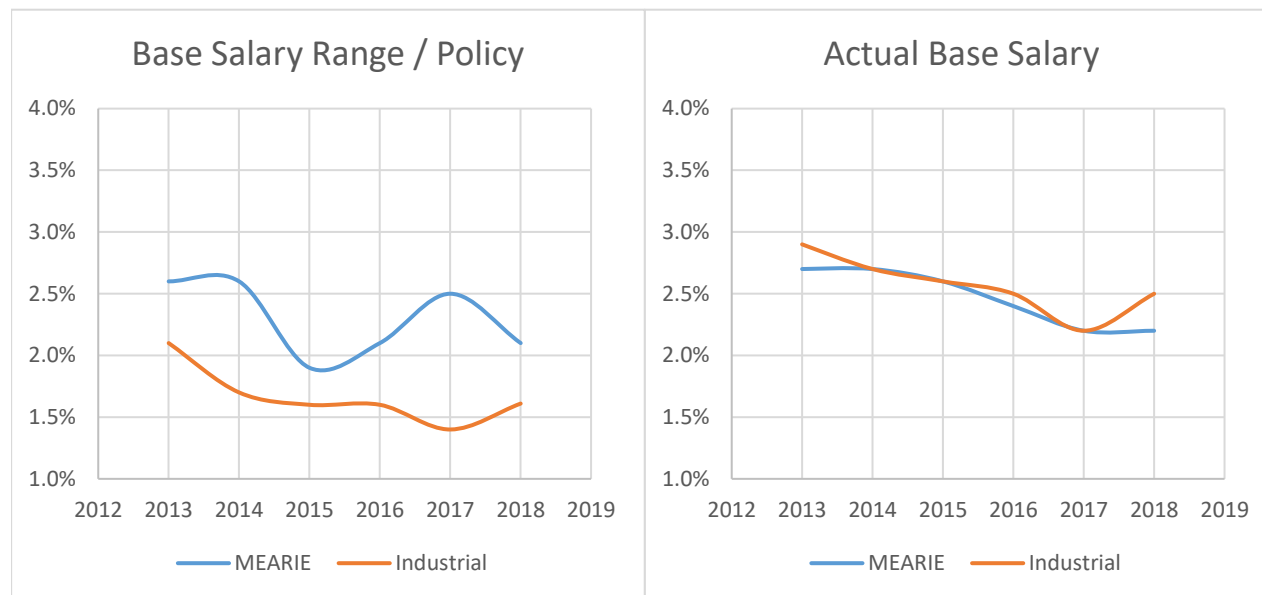
The base salary adjustments by employee level are noted in the table below.

Year	CEO	Executive	Director	Management	Professional /Technical	Admin	Overall
2016	3.3%	2.2%	2.3%	2.6%	2.3%	3.6%	2.7%
2017	2.2%	2.1%	2.6%	2.3%	2.2%	2.3%	2.3%
2018	2.2%	2.2%	2.2%	2.2%	2.3%	2.3%	2.2%

Salary Trends

Korn Ferry Hay Group compiles an annual compensation forecast survey across Canada, with over 500 participants annually.

The graph below depicts how the overall Canadian all-industrial organization market has tracked from a range and actual salary perspective versus The MEARIE Group Management Salary Survey trend information over the past 5 years.



Generally, local distribution companies track very close to the all-industrial market for actual salary adjustments; generally within 0.3 percentage points. Local distribution companies track above the all-industrial market for salary range adjustments by 0.3 – 1.1 percentage points, according to the preliminary 2018 all-industrial compensation planning update.

The differential between actual base salary increases and salary range adjustments among local distribution companies is generally small, this year the average differential is 0.1 percentage points. The average differential among industrial organizations is 0.9 percentage points.

This indicates that industrial organizations may be allocating greater portions of salary budgets to differentiation by merit, and enabling high performers to perhaps be paid above job rate and/or moving people through the range faster. That is, industrial organizations are likely increasing their overall comparatios, whereas LDCs are generally maintaining or movement through range is very conservative.

Incentive Programs

- a. The majority of organizations (25 of 35 or 71%) indicated that they offer short term incentive pay to at least some of their employees.
- Sixteen (16) of the organizations indicated that all employee groups participated in STI.
 - Nine (9) organizations have STI plans for designated senior management and/or executives that do not extend to non-management staff.

- b. Twenty (20) of the twenty-five (25) organizations who offer short term incentive pay provided information about their incentive plans. The determination of individual bonus payments is based on the weighting of performance factors such as corporate versus individual versus team/department performance.

Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff. For example:

- The most common CEO incentive plan is 80% Corporate, 20% Individual
- The most common Director plan is 60% Corporate, 40% Individual
- The most common Admin plan is 0% Corporate and 100% Individual

The average plan mix, by employee level, is provided in the table below.

Performance Factor	CEO	Executive	Director	Management	Professional / Technical	Admin.
Corporate	66.1%	60.1%	66.3%	47.4%	52.7%	48.8%
Team / Department	1.9%	3.6%	2.5%	9.9%	0.0%	0.0%
Individual	31.9%	36.4%	31.3%	42.8%	47.3%	51.3%

Incentive Programs
 (continued)

Threshold Bonus Payouts

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance/results increase, up to a “target” bonus rate when performance goals have been “met”.

Sixteen (16) of the twenty-five (25) organizations with incentive plans reported that they define minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

Maximum Bonus

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 100% of target.

Maximum Bonus Payout %	CEO (n =16)	Executive (n =14)	Director (n =11)	Management (n =14)	Professional / Technical (n = 10)	Admin. (n =10)
Average	1.1	1.1	1.2	1.2	1.2	1.2

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.

**Salary Compression
Policy**

Organizations were asked if they have any formal salary compression policy in place.

Thirty-three (33) of the thirty-five (35) organizations responded to this question.

Out of the thirty-three (33) responses, one (1) organization reported having a formal salary compression policy in place; two (2) organizations reported they either have an informal plan in place, or have been monitoring salary compression. Given that only two organizations responded to this question, there is insufficient data to report any details regarding compression and related policies.

4. Benefit Policies

Car Benefit

The majority of organizations (28 of 35 or 80%) provide a car benefit to some level of employee.

The table below summarizes the value of car benefits, by position, where provided. An asterisk (*) indicates insufficient data to report:

		Company Owned Car (Value)	Monthly Lease Payment	Car Allowance (monthly)
CEO	P75	*	*	825
	P50	41,250	*	725
	P25	*	*	594
	Average	43,819	*	727
	Number	4	2	20
Executive / VP	P75	*	*	725
	P50	*	*	600
	P25	*	*	425
	Average	*	*	580
	Number	2	2	11
Sr. Management / Director	P75	*	*	625
	P50	*	*	588
	P25	*	*	438
	Average	*	*	547
	Number	0	0	8

Two (2) organizations reported providing a car benefit to specified positions below Senior Management. These are in the form of a vehicle allowance.

Mileage

The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 32	Mileage Reimbursement (¢ per km)
P75	54
P50	54
P25	50
Average	52

The most frequently reported mileage rate (13 organizations) is 54 cents per kilometer; the next most frequent reported rates are 48, 50, or 52 cents per kilometer (3 organizations each).

Perquisites

Club Memberships – Fitness

Sixteen (16) organizations reported providing a subsidy for fitness club fees. The typical policy is to provide a reimbursement of a fixed dollar amount per year. For all organizations, the same policy and maximum reimbursement applies regardless of job level.

N = 17	Maximum Reimbursement per year
P75	300
P50	200
P25	150
Average	229

Club Memberships – Social

One (1) organization reported having a separate policy / program for reimbursement of social club fees.

**Perquisites
 (cont'd)**

Health Spending Account

Nine (9) organizations reported providing a Health Spending Account (i.e. discretionary spending within a defined range of services / benefits).

Of the nine (9) organizations, four (4) provide the same funding for all jobs levels while five (5) differentiates by job level.

	CEO	Executive	Director	Management	Professional / Technical
P75	2,000	2000	1000	750	*
P50	550	475	475	450	375
P25	450	413	338	300	*
Average	1056	1050	600	536	454
Number	9	8	8	7	6

2nd Opinion Medical Advice

Four (4) organizations in the survey reported having a separate policy/program for this benefit.

Personal Financial/Legal Counseling

Three (3) organizations reported that financial and legal counseling is available via their Employee Assistance Program, which is provided to all employees. One (1) of these organizations reported a maximum dollar value.

Executive Medical Plan

Three (3) organizations reported providing enhanced medical coverage for executive levels only. Two (2) organizations reported a maximum dollar value in executive medical plan coverage.

**Perquisites
(cont'd)**

Personal Computer / Cell Phone / Internet

Eleven (11) organizations provided information regarding policies and practices related to computers and internet.

The most common policies/practices are:

- Provision of laptops for particular levels of employee, in addition to office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for cell phone and/or home internet connection for selected employees (either full reimbursement or 50% reimbursement were both provided in the market place).
- Cash allowance intended to cover cell phone and/or internet service.

The value of these benefits varies dramatically by level within organizations and between organizations; the data does not lend itself to reporting of the value of typical practices.

Other Perquisites

Other programs/practices reported, by seven (7) organizations, include:

- Reimbursement of dues/fees for professional associations such as Engineers (P.Eng) and Accountants (CGA/CMA/CA).
- Provision of a personal spending account taxable benefit

Enhanced Life Insurance Coverage for Senior Officers

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs?

Seventeen (15) organizations provided information about their basic/standard life insurance coverage where the typical coverage is 1.5x annual salary (average coverage of 1.66x). Enhanced benefits are provided by six (6) organizations, where senior roles receive coverage at an average of 1.95x annual salary.

**Vacation
 Entitlement**

All thirty-five (35) organizations provided the number of years of service required by various levels of employee in order to be entitled to a certain number of weeks of vacation.

The table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

Several organizations noted that for executive level jobs, vacations are typically negotiated versus following a schedule for entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	<i>No range</i>	<i>Start - 6</i>	<i>Start - 15</i>	<i>Start - 18</i>	<i>start - 28</i>
Average	<i>Start</i>	2	7	14	21
Typical	<i>Start</i>	3	9	16	25
<i>sample</i>	n = 10	n = 20	n = 26	n = 28	n = 30
Executive / VP Level					
Range	<i>No range</i>	<i>Start - 4</i>	<i>Start - 10</i>	<i>start - 18</i>	<i>2 - 28</i>
Average	<i>Start</i>	2	7	14	22
Typical	<i>Start</i>	3	9	16	25
<i>sample</i>	n = 10	n = 19	n = 24	n = 27	n = 27
Director Level					
Range	<i>No range</i>	<i>Start - 6</i>	<i>Start -15</i>	<i>2 - 18</i>	<i>9 - 28</i>
Average	<i>Start</i>	2	7	14	22
Typical	<i>Start</i>	3	9	17	25
<i>sample</i>	n = 10	n = 22	n = 28	n = 28	n = 28
Manager Level					
Range	<i>No range</i>	<i>Start - 4</i>	<i>3 - 10</i>	<i>8 - 18</i>	<i>15 - 28</i>
Average	<i>Start</i>	2	7	15	23
Typical	<i>Start</i>	<i>Start</i>	9	17	25
<i>sample</i>	n = 12	n = 26	n = 31	n = 31	n = 30
Professional Level					
Range	<i>No range</i>	<i>Start - 6</i>	<i>3 – 15</i>	<i>8 - 18</i>	<i>15 - 28</i>
Average	<i>Start</i>	3	8	15	23
Typical	<i>Start</i>	3	9	16	25
<i>sample</i>	n = 13	n = 27	n = 30	n = 31	n = 31

Unused Vacation

Organizations provided information about their policies and practices with regard to vacation time that was not fully utilized in the year in which it was earned.

Policy Regarding Carry Over	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over.	1	3%
Any/All unused vacation entitlement may be carried-over with no restrictions.	3	9%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance.	14	40%
A maximum amount of unused vacation may be carried over.	16	46%
No unused vacation may be carried over	1	3%
Total	35	100%

Maximum Number of Days to Carry Over (n = 16)	Number of Days
Range	3 – 14
Average	6.9
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time	Number
No limit	9
One Year	8
Six Months or less	15
Total	32

Note:

Some organizations reported variations to the above policies such as:

- A maximum amount of days that can be carried over specified it as either one year entitlement or a portion of the year’s entitlement. Four (4) of the sixteen (16) organizations reported this type of policy..
- Cash out policies where some vacation time may be paid out instead of being carried over.
- Carry-over policies that vary by vacation eligibility, for example, a maximum of 10 days can be carried over if the incumbent is eligible for up to 3 weeks of vacation; a maximum of 20 days may be carried over if the vacation eligibility is 4 weeks or more.

**Educational
Assistance /
Reimbursement**

Twenty participating organizations (20) provided details with regard to education assistance/reimbursement policies ranging from eligibility criteria to pay back provisions. There are a wide variety of programs and reimbursement rates. Key highlights are provided below:

- Seventeen (17) organizations stated that they offer education assistance/reimbursement; though typically there are limits such as education or training courses which must be job related, and are subject to managerial approval.
- Three (3) organizations stated that there is no formal policy, however, approval for educational assistance or reimbursement happens regularly and is on a case by case basis.
- Four (4) organizations provided an annual reimbursement maximum, the maximum depends on the level of study, and/or cost of education, less a deductible where applicable.
- Three (3) organizations provided a per-program reimbursement maximum, the mean of such maximum is \$18,333.
- Payback provisions were provided by eleven (11) organizations. The average time to not trigger any pay back provision is 2.8 years, the median is 3.0 years. The range of time is between 90 days to 5 years. Eight (8) organizations noted they have some form of partial payment plan for leaving within a designated time period after completion of education. For example, from completion of program, if the employee resigns within 12 months, they are liable for 100% of the cost; if the employee resigns between 12 and 24 months from the completion of education, they are liable for 75% of the cost.

5. Benchmark Position Survey Results

Survey Results

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying “Addendum”.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.

ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches		Compensation Design											
		Sample Statistic		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50
0000	President & CEO	30	33	1292	172,000	193,200	206,700	25%	221,000	234,200	195,500	208,500	20%	222,800	243,400
0001	Chief Operating Officer (COO)	15	16	872	135,400	148,000	160,900	15%	158,500	170,300	158,200	158,800	14%	170,700	179,200
0002	Head of Operations and/or Engineering	18	21	904	127,000	149,500	161,800	20%	176,500	168,000	154,200	151,200	19%	172,400	166,200
0003	CFO / Head of Finance	30	32	830	135,900	149,500	158,300	18%	152,900	170,800	156,800	156,300	18%	160,000	170,900
0004	Head of Customer Service	8	8	769	110,300	129,800	149,200	*	145,700	153,500	127,100	138,700	16%	136,200	154,100
0005	Head of Regulatory Affairs	6	6	771	141,500	161,100	172,000	20%	183,300	176,100	166,800	160,000	21%	184,000	181,400
0006	Head of Human Resources	13	13	800	120,900	134,900	148,000	18%	145,700	156,800	144,600	146,500	19%	158,000	164,600
1000	Executive Assistant	24	30	245	61,600	73,800	79,800	5%	74,900	75,600	75,700	75,900	4%	77,900	77,300
1001	Administrative Assistant	12	23	198	55,400	63,600	68,200	2%	64,000	64,900	67,100	67,700	2%	66,400	67,400
2000	Director Engineering	10	10	702	109,900	137,200	148,400	10%	146,000	143,200	136,800	136,300	7%	145,300	142,600
2001	Engineering Manager and/or Distribution Engineer	18	19	571	94,200	106,400	116,900	7%	110,600	117,000	110,700	115,200	6%	114,000	121,000
2002	Project Engineer	12	14	458	81,400	100,800	106,800	6%	101,100	96,700	102,200	94,800	5%	107,800	96,500
2003	Supervisor Engineering	15	18	451	87,500	101,700	109,300	7%	107,700	106,400	105,500	100,900	4%	105,900	105,200
2500	Director Operations	10	12	732	109,900	125,300	143,100	15%	143,800	139,200	134,900	133,000	13%	143,900	139,400
2501	Manager Operations	21	24	516	98,800	113,900	123,300	5%	118,400	118,100	116,000	119,900	4%	120,300	123,000
2502	Manager Control Centre	5	7	516	101,800	115,000	126,500	*	122,500	118,000	121,600	130,100	*	134,400	139,200
2503	Supervisor Control Centre	7	7	406	85,100	100,600	105,200	*	103,600	101,000	102,700	100,800	*	102,400	101,800
2504	Supervisor Protection and Control	4	4	496	86,800	105,300	108,500	*	105,300	104,500	108,500	108,000	*	*	107,600
2505	Supervisor Station Maintenance	8	8	496	87,400	102,200	106,800	*	105,400	110,400	105,400	107,600	*	103,900	113,600
2506	Line Supervisor	25	85	366	87,100	99,400	106,800	7%	102,800	102,900	104,100	103,700	4%	106,700	107,300
2507	Manager Meter Department	8	8	506	93,000	109,400	115,700	10%	118,000	118,000	112,600	110,500	6%	118,500	117,400
2508	Supervisor Meter Department	8	8	406	85,500	97,800	102,300	*	99,500	99,200	99,800	98,000	3%	98,800	99,100
3000	Director Supply Chain Management	3	3	*	*	*	*	*	*	140700	*	129300	*	*	140400
3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet	15	15	406	87,100	103,000	108,700	9%	108,300	105,100	103,900	101,800	5%	108,000	105,400
3002	Supervisor Stores/Inventory/Warehouse	6	5	342	73,000	84,000	92,600	*	89,900	86,800	85,400	85,700	*	90,800	87,100

ALL ORGANIZATIONS

Code	Survey Job Title	Job Matches		Compensation Design											
		Sample Statistic		Hay Points	Salary Range Minimum	Job Rate	Salary Range Maximum	Target Bonus %	Total Cash Design		Actual Base Salary		Actual Bonus %	Actual Total Cash	
		# Orgs	# Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
4000	Controller or Director Finance	14	16	588	103,300	113,600	120,800	10%	118,300	125,300	116,400	121,400	9%	120,600	130,000
4001	Manager Accounting	16	16	479	88,700	106,900	120,400	8%	111,100	110,900	100,400	104,100	6%	101,500	109,400
4002	Manager Risk Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
4003	Supervisor Accounting	9	12	342	77,100	90,700	97,000	*	90,700	90,700	91,500	92,200	4%	94,100	95,000
4004	Financial or Business Analyst	14	21	332	74,700	87,200	95,800	6%	87,300	91,900	87,200	88,100	5%	87,200	91,400
4005	Accountant	7	11	342	67,200	84,000	96,600	*	89,900	83,500	73,200	77,300	*	78,900	80,800
5000	Director Customer Service	6	6	578	97,300	112,300	119,400	*	119,800	118,100	117,000	117,400	*	120,100	120,900
5001	Manager Customer Service and/or Billing	20	25	393	85,000	98,000	105,100	7%	101,000	101,500	99,600	99,200	9%	109,600	104,700
5002	Supervisor Customer Service and/or Billing and/or Collections	22	33	353	80,300	92,600	100,700	7%	94,800	92,400	91,900	89,900	4%	93,100	91,800
5500	Director Communications	5	5	677	99,700	124,700	124,700	*	124,700	136,900	124,700	118,500	*	126,700	129,900
5501	Manager Communications	8	8	368	81,100	94,000	94,000	8%	97,200	96,400	91,400	89,300	7%	96,300	93,400
6000	Director Regulatory Affairs	3	3	*	*	*	*	*	*	148,500	*	134,800	*	*	145,400
6001	Manager Regulatory Affairs	14	14	400	86,200	100,200	109,300	7%	100,200	101,200	91,500	94,800	7%	96,700	98,700
6002	Regulatory Accountant	13	13	312	69,500	81,100	90,100	4%	83,500	86,500	77,200	80,000	4%	78,800	83,400
7000	Settlement or Rate Analyst	8	11	282	69,100	82,900	88,200	4%	84,100	87,000	88,200	87,200	2%	94,400	90,800
7001	Director or Officer, Conservation and Demand Management	8	8	666	114,800	126,200	144,900	10%	138,800	148,800	129,300	130,700	5%	134,800	139,600
7002	Manager Conservation & Demand/Marketing	17	16	406	85,600	94,800	107,100	7%	96,800	95,400	97,400	94,300	7%	100,700	95,700
8000	Director Information Systems	14	15	677	110,300	131,500	144,900	15%	157,800	144,400	137,600	133,800	8%	145,800	141,700
8001	Manager Information Systems and/or Security	20	21	479	88,900	106,600	112,300	5%	108,300	109,400	106,600	105,600	5%	107,300	108,400
8002	Systems/Program Administrator or Applications/Systems Support	13	20	337	73,200	87,200	95,300	4%	89,600	91,000	95,200	92,700	4%	99,200	95,200
9000	Human Resources Manager	12	11	479	91,100	103,600	112,700	9%	108,600	114,400	104,000	105,000	6%	107,100	107,600
9001	Human Resources Generalist	12	16	306	75,000	85,200	95,400	3%	89,400	87,100	85,500	84,700	3%	83,900	86,700
9002	Human Resources Coordinator	6	6	218	61,600	71,400	78,700	*	75,000	73,300	73,700	73,200	*	75,000	75,700
9003	Payroll	13	13	245	66,100	79,400	84,400	6%	79,400	81,000	79,400	77,800	5%	80,100	79,900
9004	Manager, Health & Safety	17	18	406	87,100	101,800	108,800	8%	108,000	106,900	103,500	103,700	5%	106,800	108,300

APPENDICES

A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration & benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and an average figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Hay Group to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Hay Group to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Hay Group has estimated at which Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.

B. Definitions – Compensation Elements

Salary Range

Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	Typically the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.
Maximum	The highest point in the salary range (or step progression). Note: might be the same as "job rate".

Short Term Incentive

Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.

Target	Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g. "the target bonus for jobs in grade/band 6 is 8% of salary".
Discretionary	Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

Current Salary

The amount paid for work performed on a regular, ongoing basis.
Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

Actual STI (Paid)

Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.
May be paid during the year or after year end. (Note: recorded and reported on an annual basis)

C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting Requirement (# of Observations Necessary to Report)
P90	90th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90 th percentile and 90% would fall below	11
P75	75th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	7
P50	50th percentile, also referred to as “median” If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	4
P25	25th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	7
P10	10th percentile If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	11
Average	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations	3

D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President &CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.

Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng. <u>OR</u> Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.

Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.

Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.
Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.

Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements, and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organizations facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.

Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.
Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.

Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization’s regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.

Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company’s Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/ Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.

Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

Communications

Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.

Appendix 1-SEC-6(i)

2014 Corporate Scorecard

Strategic Imperatives and Weighting	Measures	Targets	Result
Profit 50%	<ul style="list-style-type: none"> Consolidate Net Income* (IFRS, adjusted for regulatory assets/liabilities) 	\$4.7 M threshold \$5.2 M target	\$5.2M Audited results \$5.4M before BCP transaction costs
Service 20%	<ul style="list-style-type: none"> System Reliability <i>CNDHI current YE five year rolling average compared to previous YE five year rolling provincial large utility average (MEARIE)</i> 		
	SAIFI	Target (+15%) Threshold (10%)	1.46 x (1.1% below average – not met)
	SAIDI	Target (+20%) Threshold (15%)	1.2 hours (32% better than average – met)
	CAIDI	Target (+5%) Threshold (2.5%)	0.8 hours (31% better than average – met)
	<ul style="list-style-type: none"> OEB Service Quality Indicators (SQI) 	Performance against SQI standards on all four indices	
	Connection of New Services <i>Within 5 Business Days</i>	Target (96%) Threshold (95%)	100%
	Appointments met <i>Within 4 hours on the day promised</i>	Target (99%) Threshold (98%)	Customer Care 100% Metering 100%
	Customer Access <i>Calls answered within 30 seconds</i>	Target (84%) Threshold (80%)	83%
	Locate Service Performance <i>Locates completed within 5 business days</i>	Target (96%) Threshold (90%)	98.7%
People 20%	<ul style="list-style-type: none"> Reduction in lost time injury days 	10% reduction from 2013	No lost time
	<ul style="list-style-type: none"> Site Visits 	Leadership Team individuals to conduct at least 6 site visits per year	48
Community 10%	<ul style="list-style-type: none"> Implementation of CDM Program Program to date MW Savings 	90% of CDM Targets (threshold) 100% of CDM targets (target)	~ 92% (with Toyota)
	Program to date Cumulative GWh savings	90% of CDM Targets (threshold) 100% of CDM targets (target)	Exceeded target
	<ul style="list-style-type: none"> Community Community focused initiatives specific to calendar year (8 events / quarter) 	Meeting 100% achievement against plan (threshold) Meeting 80% achievement against plan (target)	1 st Qtr 8 2 nd Qtr 13 3 rd Qtr 13 4 th Qtr 17 Total 51

Appendix 1-SEC-6(ii)

2015 Corporate Scorecard

2015 Balanced Scorecard

Corporate Objectives	80%	Weighting	Measure	Target	Stretch (1.5 x)	Actual Result	Notes
Operational							
Financial	70%	40%	Net Income	\$5.2 M	\$5.5 M	\$ 6.1 M	While maintaining strong oversight of capital expenditures
Reliability		15%	Index	90% of avg	75% of avg	CAIDI only	Based on index of SAIDI, SAIFI, CAIDI
Service		15%	Index	15.0%	22.5%	2 / 4 stretch	Based on metrics reported to OEB
People		15%	Safety	Outcome Level II	Audit Compliance	Full compliance	Based on achieving IHSA ZeroQuest level II
Community		15%	Events	32	48	44	Leadership Team member participation
Strategic							
BCP Integration	30%	70%	Project plan	Milestones	N/A	Completed	Go live ready Jan 1, 2016 - Finance & Billing systems
Toyota Co-gen		30%	Connection	Dec 31 in service	N/A	Dec 21 in service	Facilitate connection to CNDHI and Hydro One

2015 Detail

Reliability (15%)

	Avg	Target	Stretch	2015 Result	Stretch Y/N	% Result
SAIFI	100%	90%	75%	137%	N	0.0%
SAIDI	100%	90%	75%	136%	N	0.0%
CAIDI	100%	90%	75%	89%	N	5.0%
Index	15%		22.5%		5.0%	

2015 Results

	SAIFI	SAIDI	CAIDI
WNH	1.770	1.060	0.600
KWH	0.935	0.919	0.983
GHESI	1.523	0.564	0.364
BH	0.637	0.956	1.502
OH	1.038	0.704	0.678
MH	0.250	0.330	1.320
NPE	1.689	1.908	1.131
HHH	0.250	0.210	0.850
E+	1.450	1.180	0.820
Average	1.060	0.870	0.916
CND % of avg	137%	136%	89%
2015 E+	1.450	1.180	0.820
	1.367666	1.356131	0.894827

Customer Service (15%)

	OEB Target	Target	Stretch	2015 Result	Stretch Y/N	% Result
Calls answered in 30 sec	65%	80%	85%	83.0%	N	3.8%
Connections within 5 business days	90%	96%	100%	100.0%	Y	5.6%
Appointments met	90%	99%	100%	100.0%	Y	5.6%
Locate services within 5 business days	90%	96%	100%	91.0%	N	0.0%
Index	15%		22.5%		15.0%	

Appendix 1-SEC-6(iii)

2016 Corporate Scorecard

2016 Balanced Scorecard and Individual Measurements

Corporate Objectives	80%	Weighting	Measure	Target	Stretch (1.5 x)	2016 Result	Notes
Operational							
Financial	70%	40%	Net Income	\$6.5 M	\$7.1 M	\$6.5M	Based on forecast to be presented to Board Dec 15
Reliability		15%	Index	90% of avg	75% of avg	106%	Based on index of SAIDI, SAIFI, CAIDI
Service		15%	Index	15.0%	22.5%	15.0%	Based on metrics reported to OEB
People		15%	Safety	Outcome Level III	Audit Compliance	Audit Compliance	Based on achieving IHSA ZeroQuest level III
Community		15%	Events	32	48	53	Leadership Team member participation
Strategic							
Extension of Engineering Services to Brant County territory	30%	50%	Implementaion	See A below	N/A	2 / 5 achieved	Services to be implemented by year end
Develop & Implement Control Room strategy to achieve 7x24		50%	Implementation	See B Below	N/A		Plan to recruit Journeyman Operator mid 2017 - achieve 7 x 24 by January 1, 2018
Individual Objectives							
	20%						
Total	100%						
			Notes:	<p>A GIS conversion Service layouts Manage design work (internal or outsource) System operation from control room Extension of OMS coverage</p> <p>B Determine feasibility of joint control room to operate E+ and KW territories HR issues identified and resolved If stand alone strategy is determined - identify recruitment and retention plan for SCO's</p>			

2016 Balanced Scorecard Reliability Customer Index

2016 Detail

Reliability (15%)

	Avg	Target	Stretch	2016 Result	Stretch Y/N	% Result
SAIFI	100%	90%	75%	TBD	N	0.0%
SAIDI	100%	90%	75%	TBD	N	0.0%
CAIDI	100%	90%	75%	TBD	N	0.0%
Index	15%	22.5%				0.0%

Customer Service (15%)

	OEB Target	Target	Stretch	2016 Result	Stretch Y/N	% Result
Calls answered in 30 sec	65%	80%	85%	71.8%	N	0.0%
Connections within 5 business days	90%	96%	100%	100.0%	Y	5.6%
Appointments met	90%	99%	100%	100.0%	Y	5.6%
Locate services within 5 business days	90%	96%	100%	96.8%	N	3.8%
Index	15%	22.5%				15.0%

2016 Results

	SAIFI	SAIDI	CAIDI
Welland H	1.460	0.830	DNT
Kingston			
Essex	2.832	2.165	0.764
WNH	2.630	2.600	0.990
KWH	1.700	2.640	1.550
GHESI	2.102	1.056	0.503
BH			
OH	0.900	0.503	0.560
MH	0.879	0.820	0.933
NPE	1.414	1.685	1.191
HHH	3.220	3.480	1.080
Energy+	2.000	1.910	0.950
Average	1.914	1.769	0.970
CND % of avg	105%	108%	98%
Ex Paris Ice Storm	1.7	0.91	0.56
	89%	51%	58%

Appendix 1-SEC-6(iv)

2017 Corporate Scorecard

2017 Balanced Scorecard

2017 Balanced Scorecard

Corporate Objectives	80%	Weighting	Measure	Target	Stretch (1.5 x)	Results	Notes
Operational							
Financial	70%	40%	Net Income	\$7.3 M	\$8.0 M	\$8.0	
Reliability		15%	Index	90% of avg	75% of avg	1 of 3	Based on index of SAIDI, SAIFI, CAIDI
Service		15%	Index	15.0%	22.5%	4 of 4	Based on metrics reported to OEB
People		15%	Safety	Outcome Level IV	Audit Compliance	Full compliance	Based on achieving IHSA ZeroQuest level IV
Community		15%	Events	32	48	52	Leadership Team member participation
Strategic							
Cost of Service Application	30%	50%	Completion of 2017 milestones for 2019 COS		N/A	80% Complete	Consolidated DSP: i) Draft October 31, 2017 (Budget finalized) and ii) Final Draft by November 30, 2017, iii) 2019 Budget (2Yr. Budget) Approved in December; and iv) Benchmarking Analysis
GridSmartCity Strategic Plan		50%	Completion of 2017 milestones for GSC strat plan		N/A	Completed	Program includes: i) Communication Plan ii) Cybersecurity Plan iii) HR - Labour Relations / HR Downloads Joint Enrollment
Individual Objectives							
	20%						
Total	100%						

2017 Detail

Reliability (15%)

	Avg	Target	Stretch	2017 Result	Stretch Y/N	% Result
SAIFI	100%	90%	75%	TBD	N	0.0%
SAIDI	100%	90%	75%	TBD	N	0.0%
CAIDI	100%	90%	75%	TBD	N	5.0%
Index	15%		22.5%		5.0%	

2017 Results

	SAIFI	SAIDI	CAIDI
BH	0.740	1.041	1.407
WH	1.560	1.830	1.170
WNH	1.611	0.863	0.536
KWH	0.9663	0.9187	0.9507
GHESI	1.300	0.473	0.364
BPI	1.590	0.610	0.380
OH	1.240	0.624	0.500
MH	0.778	1.066	1.370
NPE	1.690	1.580	0.930
HHH	1.130	1.650	1.450
Enwin	1.700	0.720	0.430
Essex	1.334	3.328	
E+	2.430	1.570	0.650
Average	1.390	1.252	0.845
E+ % of avg	175%	125%	77%

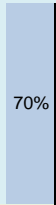
Customer Service (15%)

	OEB Target	Target	Stretch	31-Dec Result	Stretch Y/N	% Result
Calls answered in 30 sec	65%	80%	85%	81%	N	3.8%
Connections within 5 business days	90%	95%	100%	100.0%	Y	5.6%
Appointments met	90%	95%	100%	98.4%	N	3.8%
Locate services within 5 business days	90%	95%	100%	97.2%	N	3.8%
Index	15%		22.5%		16.9%	

Appendix 1-SEC-6(v)

2018 Corporate Scorecard

2018 Balanced Scorecard and Individual Measurements

Corporate Objectives	80%	Weighting	Measure	Target	Stretch (1.5 x)	Notes
Operational						
Financial		40%	Net Income	\$6.5 M	\$7.3 M	
Reliability		15%	Index	90% of avg	75% of avg	Based on index of SAIDI, SAIFI, CAIDI
Service		15%	Index	15.0%	22.5%	Based on metrics reported to OEB
People		15%	Safety	Outcome Sustainability	Audit Compliance	Based on achieving IHSA ZeroQuest level IV
Community		15%	Events	40	54	Leadership Team member participation
Strategic						
Cost of Service Application	30%	70%	Completion of 2018 milestones for 2019 COS		N/A	i) File application by April 30, 2018, ii) Respond to Interrogatories within OEB timelines, iii) achieve a reasonable settlement and decision.
Cyber Incident Response Test		30%	Completion of Test and issuance of test results		N/A	Commence Q4
Individual Objectives						
	20%					
Total	100%					

Appendix 1-SEC-6(vi)

3rd Q 2017 Key Performance Indicators



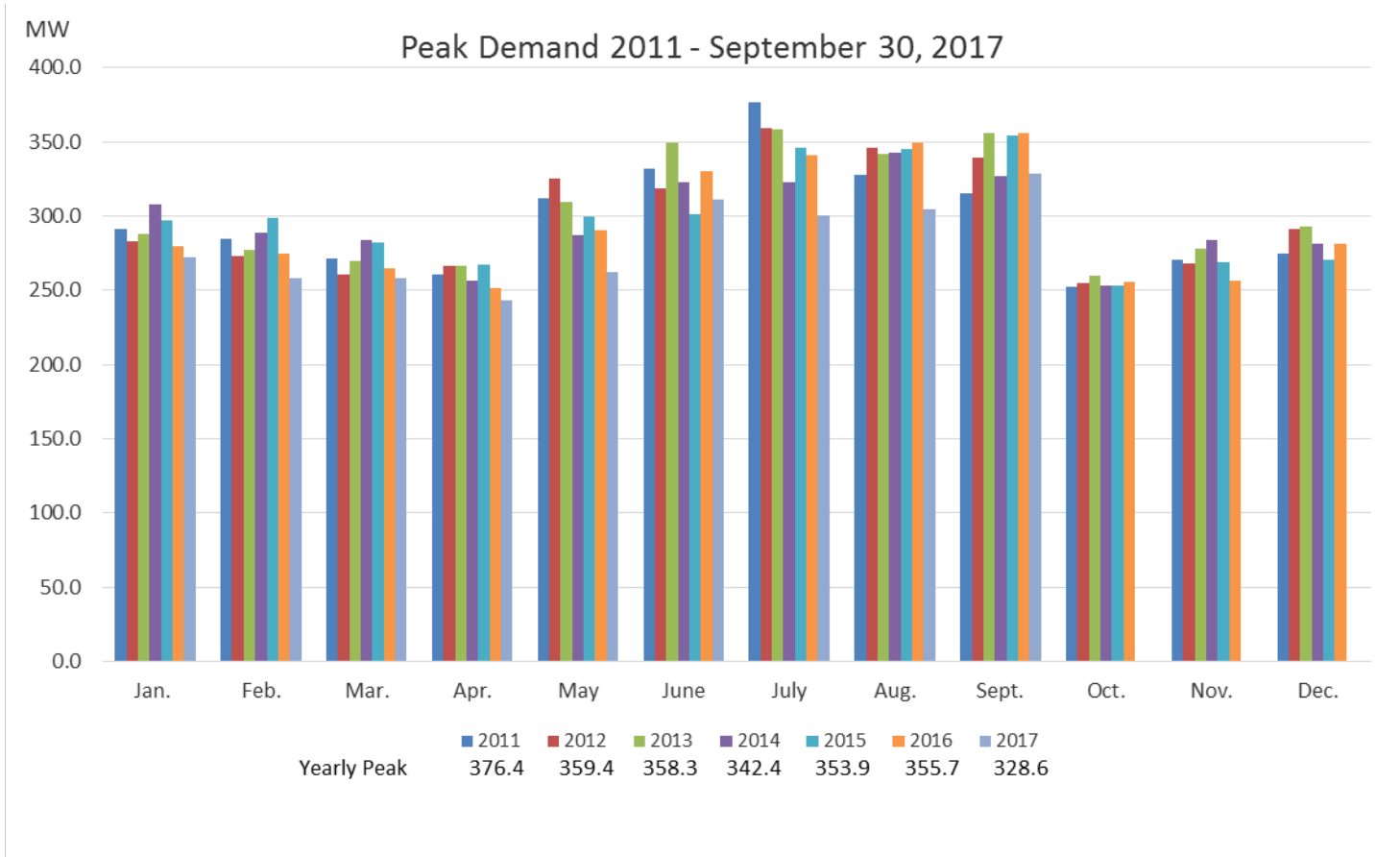
KEY PERFORMANCE INDICATORS

3rd Q ended September 30, 2017

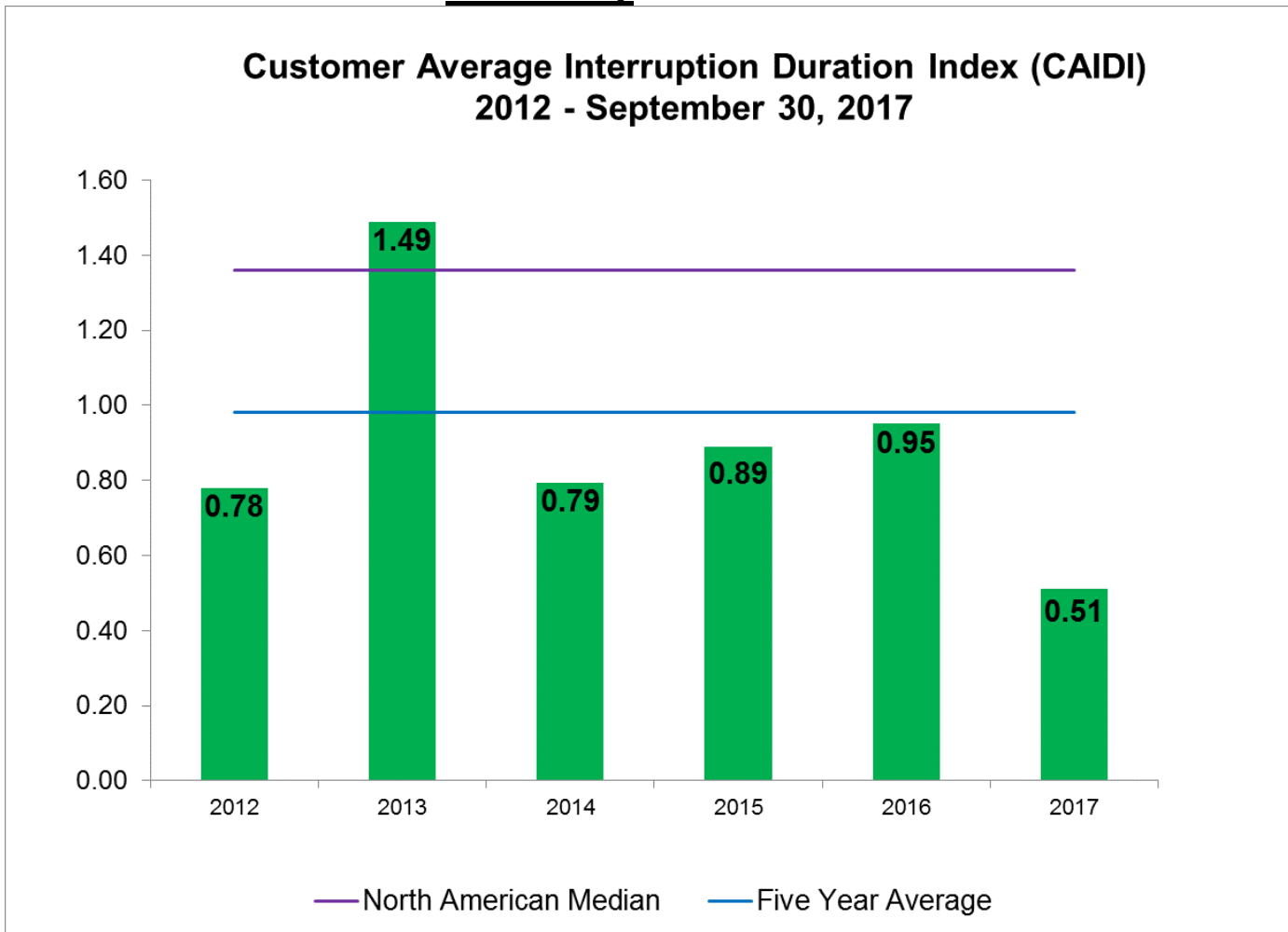


we deliver.





Reliability



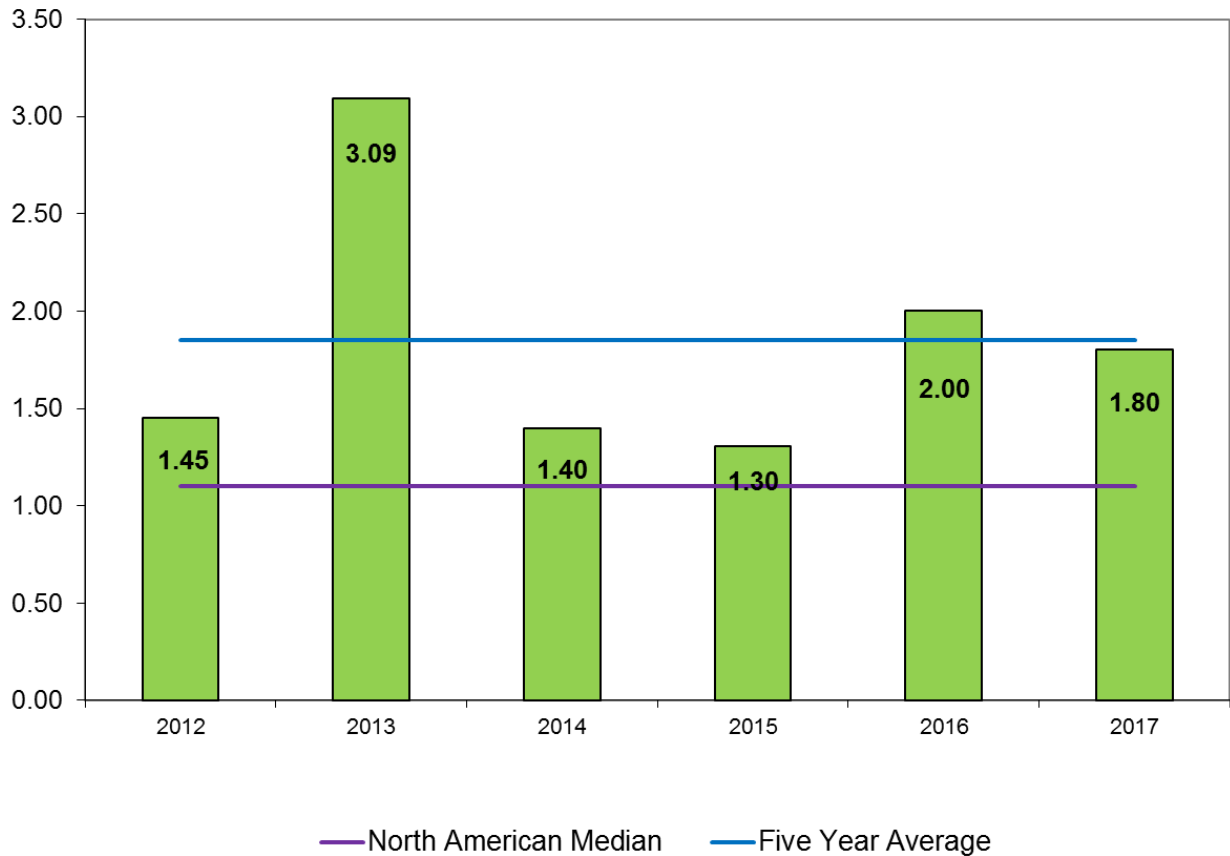
Customer Average Interruption Duration Index (CAIDI)

CAIDI gives the average outage duration that any given customer would experience.

CAIDI can also be viewed as the average restoration time. According to IEEE

Standard 1366 the median value for North American utilities is approximately 1.36 hours.

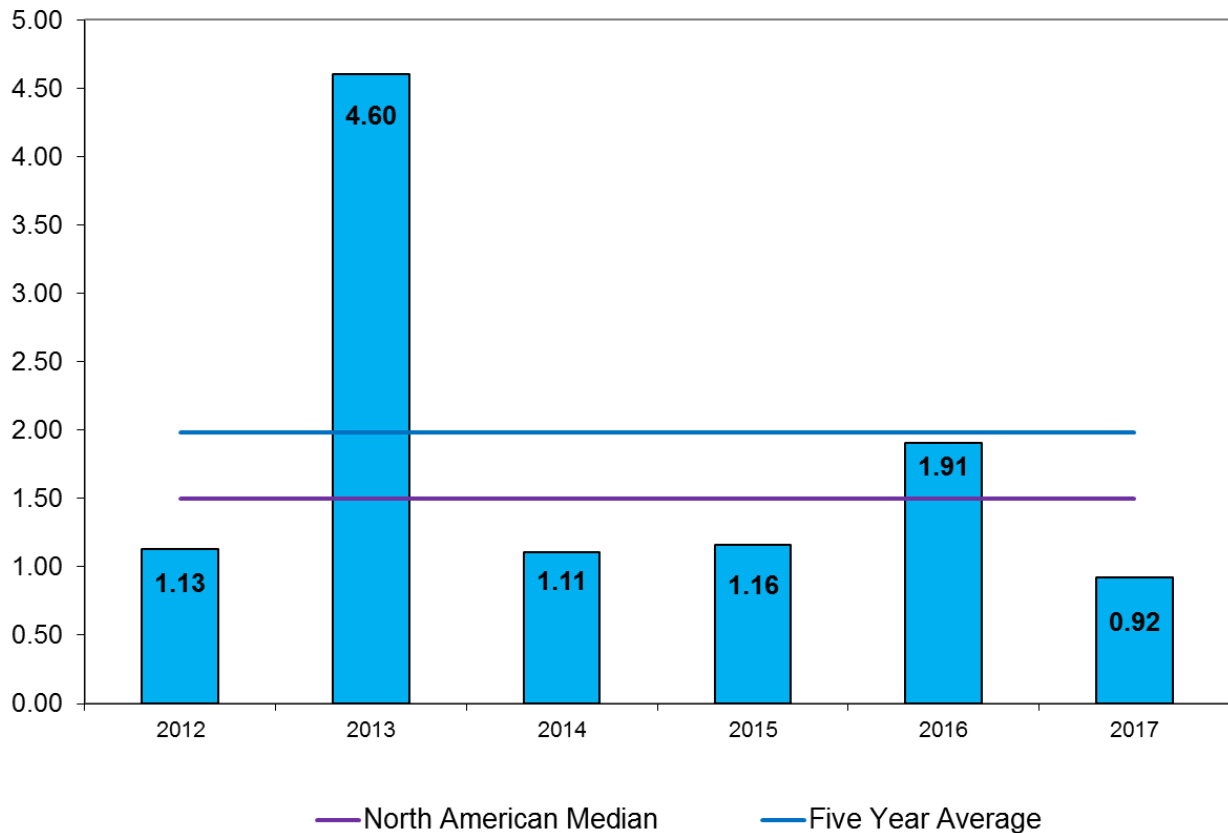
System Average Interruption Frequency Index (SAIFI) 2012 - September 30, 2017



System Average Interruption Frequency Index (SAIFI)

SAIFI is the average number of interruptions that a customer experiences. SAIFI is measured in units of interruptions per customer. It is usually measured over the course of a year, and according to IEEE Standard 1366, the median value for North American utilities is approximately 1.10 interruptions per customer.

System Average Interruption Duration Index (SAIDI) 2012 - September 30, 2017



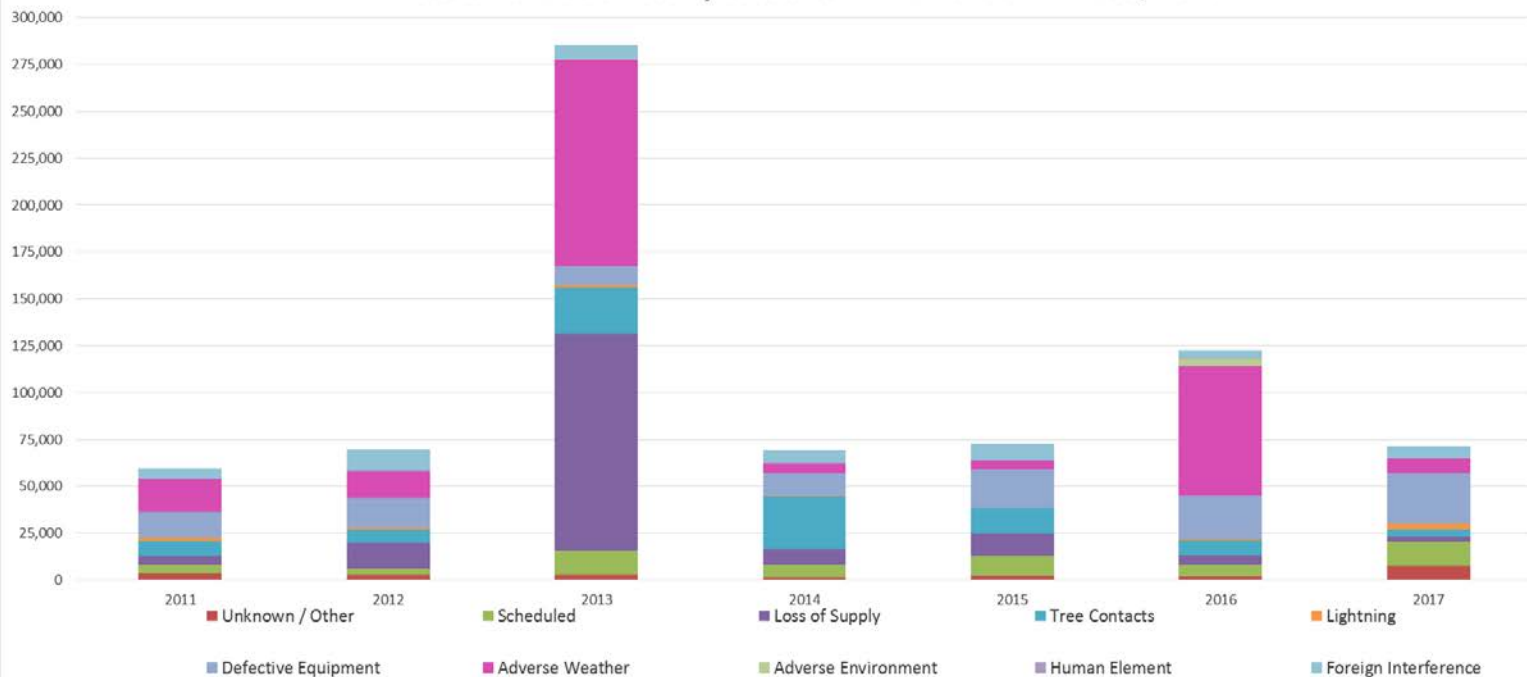
System Average Interruption Duration Index (SAIDI)

SAIDI is the average outage duration for each customer served. SAIDI is measured in units of time, often minutes or hours. It is usually measured over the course of a year, and according to IEEE Standard 1366, the median value for North American utilities is approximately 1.50 hours.

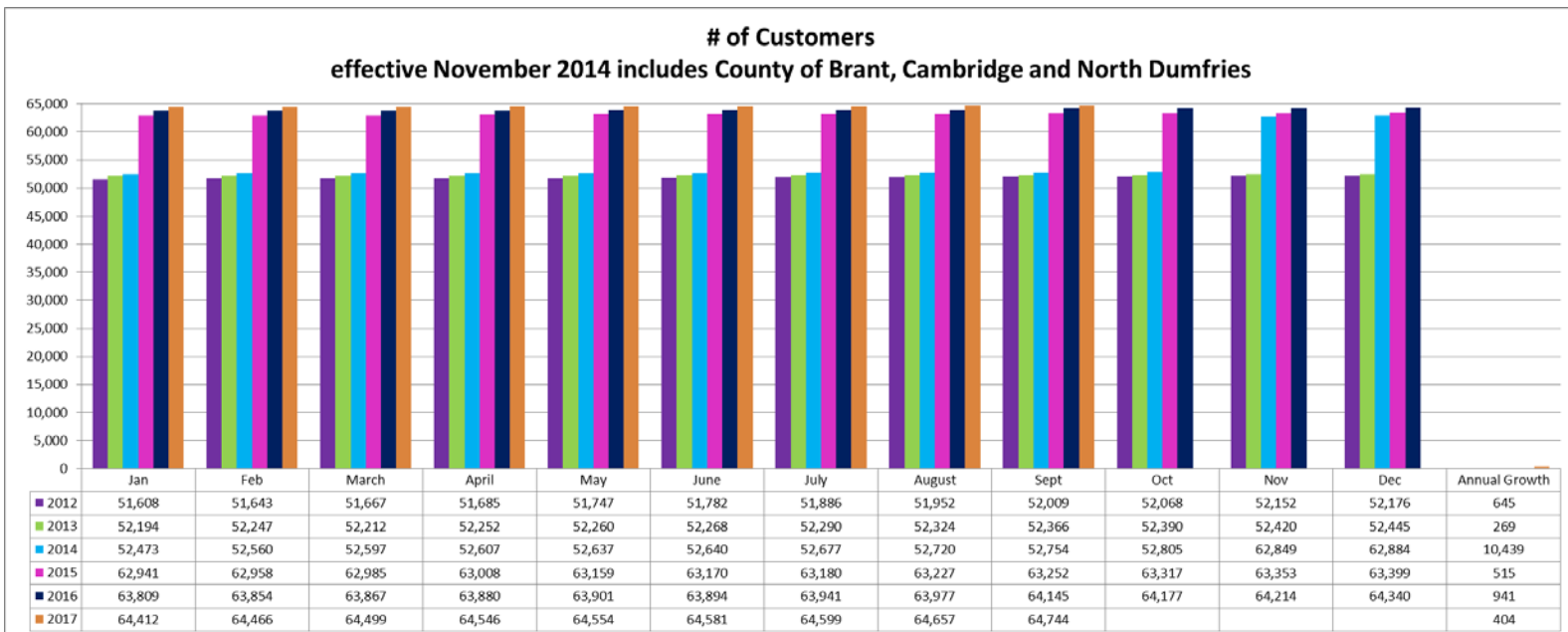
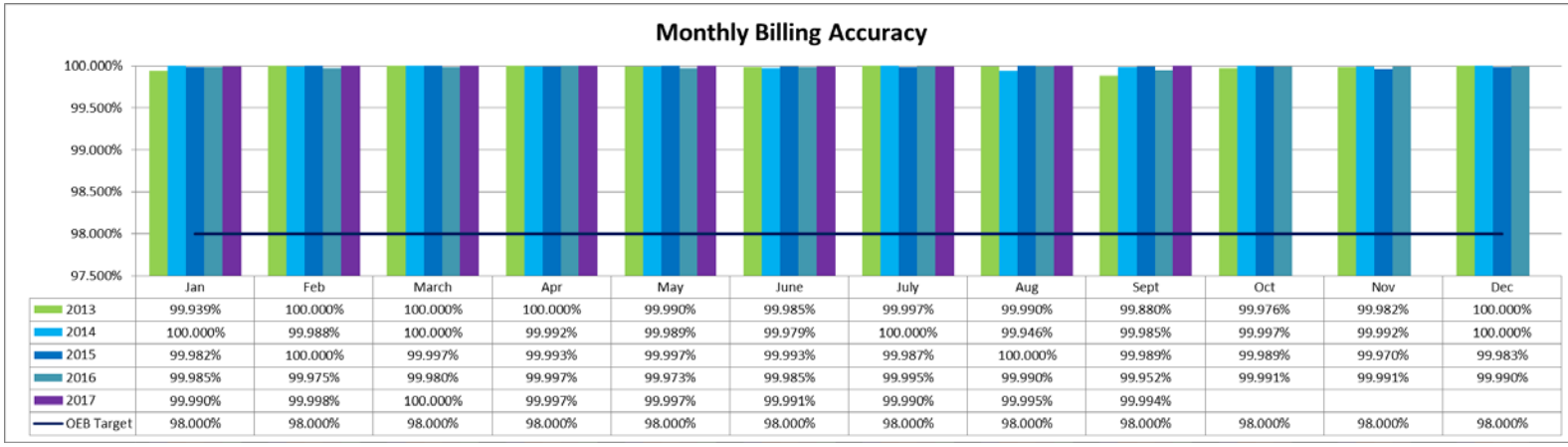
The 2013 reliability figures were impacted significantly by two major ice storms. There was a major ice storm in April 2013 and then another one in December 2013. Customers were out of power for several days in December 2013.

The 2016 reliability figures have been impacted significantly by the March ice storm. Customers in Cambridge, North Dumfries and Brant experienced outages due to the heavy ice accumulations on lines and trees which was made worse by strong winds. All of Paris was without power overnight.

Customer Hours Lost By Cause 2011 - YTD SEPTEMBER 30, 2017



BILLING

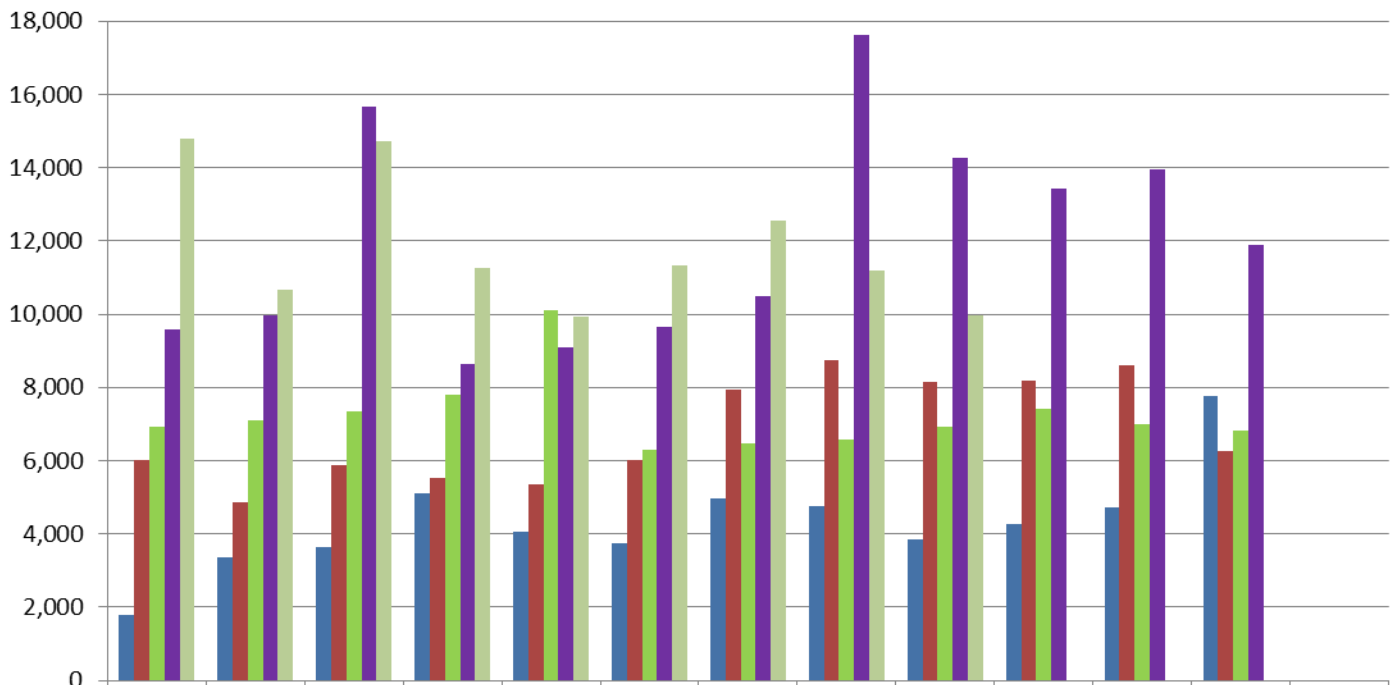


COMMUNICATIONS

Engagement is a broad term that refers to the level of interest that visitors had in our website, or the level of interactions. It is a general measure of how interested our visitors are in our website. What is important when reviewing engagement stats is not the individual or specific numbers, but more the trends we see over time.

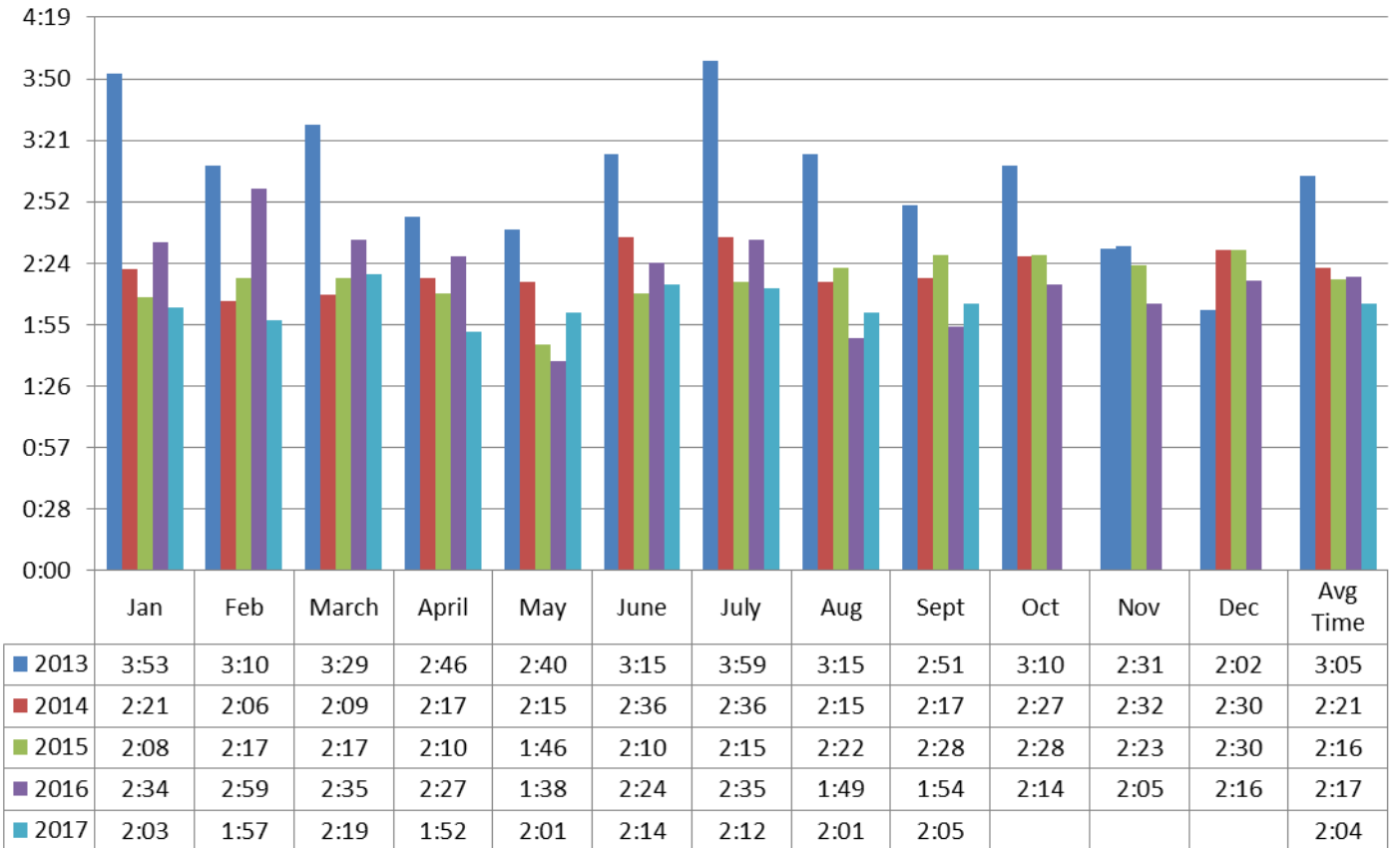
- 2013 Major Weather Events / Power Outages:** April 12; July 19; October 31; December 22-23
- 2014 Significant Events:** Power Outages: Sept 23, Nov 21/24, Nest Launch: July, BCP Sale Closed: Nov 28
- 2015 Significant Events:** Power Outages: Feb 25, May 19, June 7, Sept 3-4, Oct 5 and Dec 28
Nest Launch County of Brant: May
- 2016 Significant Events:** Amalgamation Jan 4, Power Outage Jan 13-14, First Energy+ Bills Feb 3, Ice Storm March 24-25, Monthly Billing Oct-Dec, Power Outage December 26
- 2017 Significant Events** Outages Jan 29, Feb 2, 7, March 22, 29, July
eBill Campaign Oct 20

Corporate Website - Total Visits

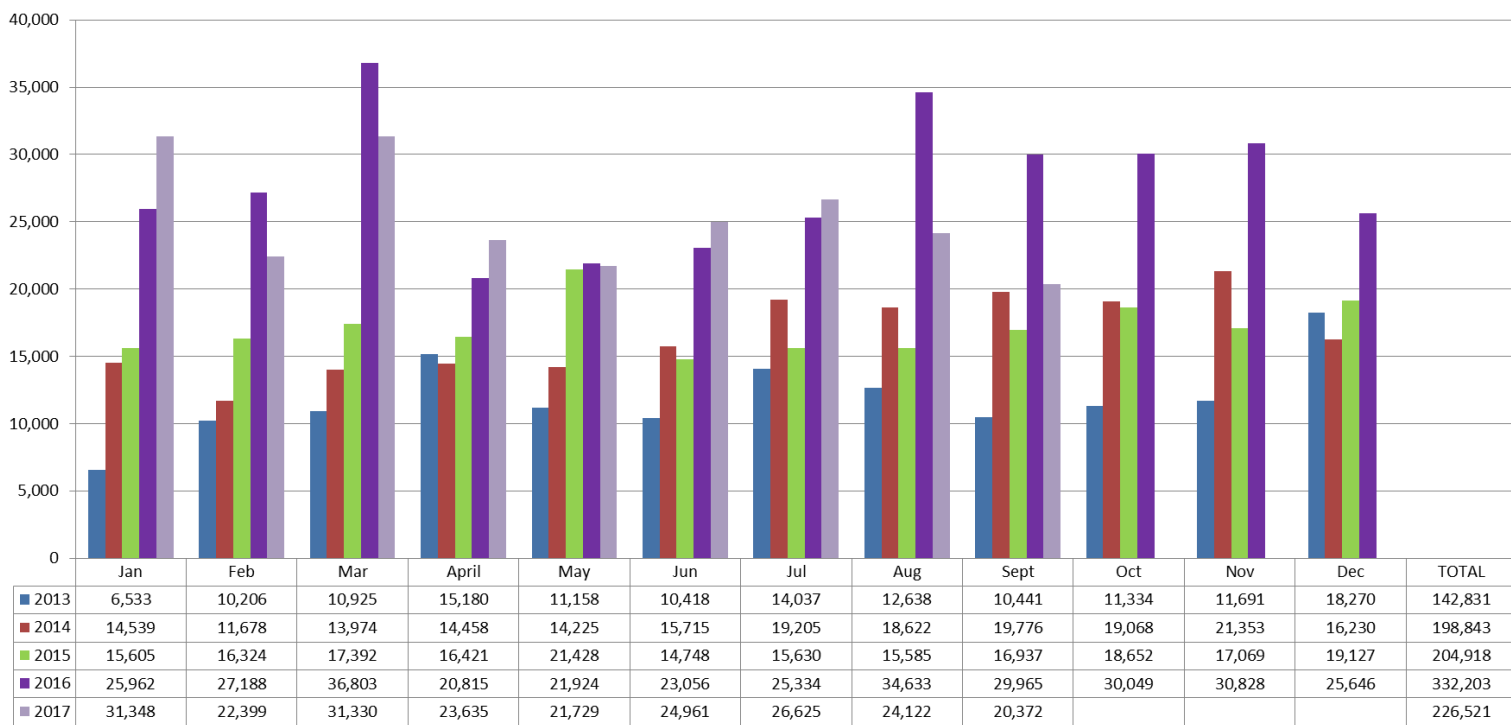


	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	TOTAL VISITS
2013	1,793	3,341	3,622	5,115	4,070	3,749	4,951	4,744	3,846	4,253	4,736	7,770	51,990
2014	6,011	4,849	5,868	5,513	5,342	6,021	7,923	8,732	8,152	8,199	8,604	6,267	81,481
2015	6,933	7,099	7,331	7,812	10,096	6,279	6,457	6,571	6,927	7,403	7,004	6,806	86,718
2016	9,584	9,956	15,676	8,643	9,081	9,647	10,505	17,626	14,281	13,414	13,959	11,887	144,259
2017	14,796	10,675	14,727	11,245	9,919	11,337	12,559	11,176	9,958				106,392

Average Visit Duration: the average time (seconds) of a website session/visit

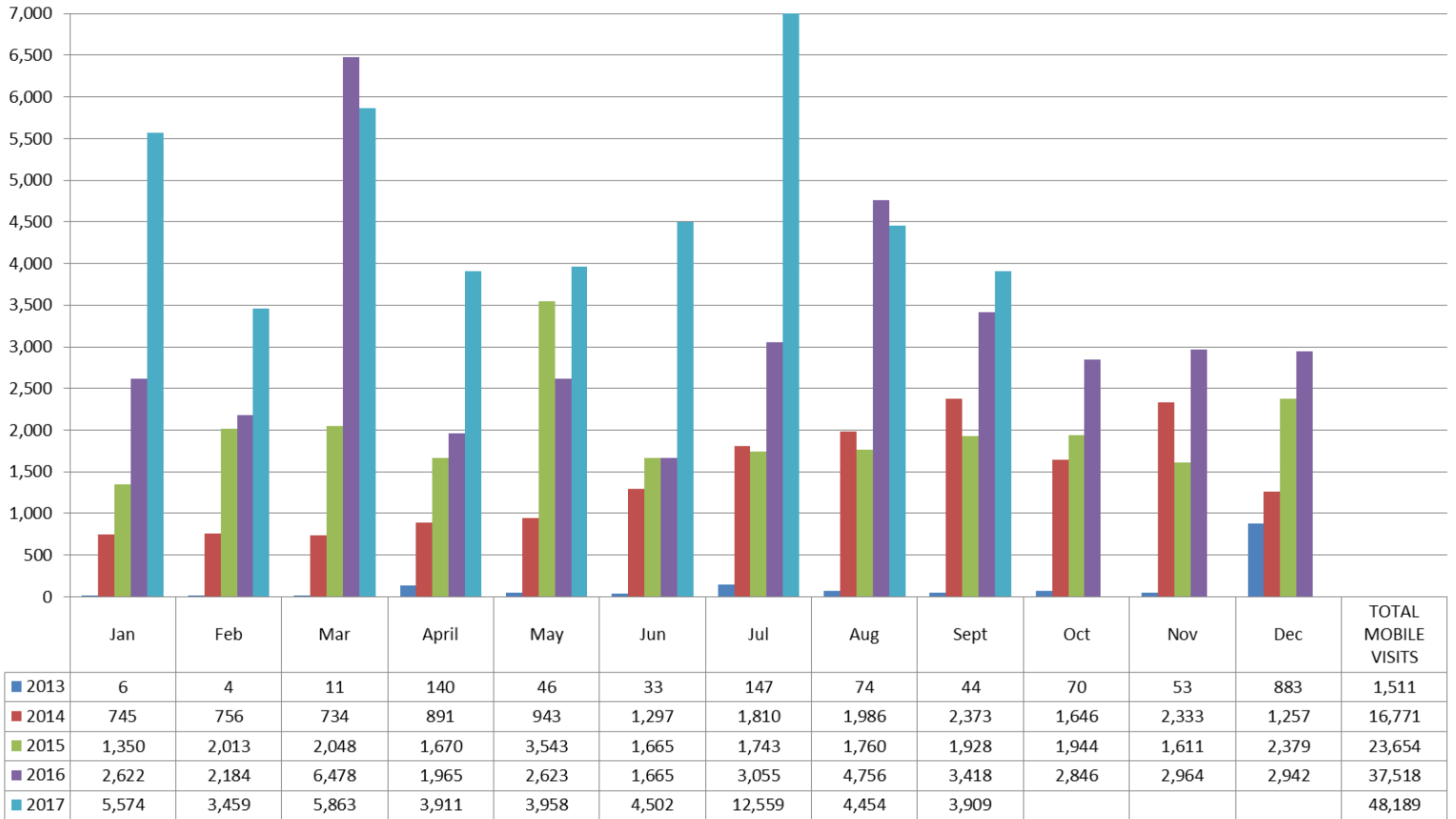


Page Views: The total number of pages that have been viewed by visitors each month



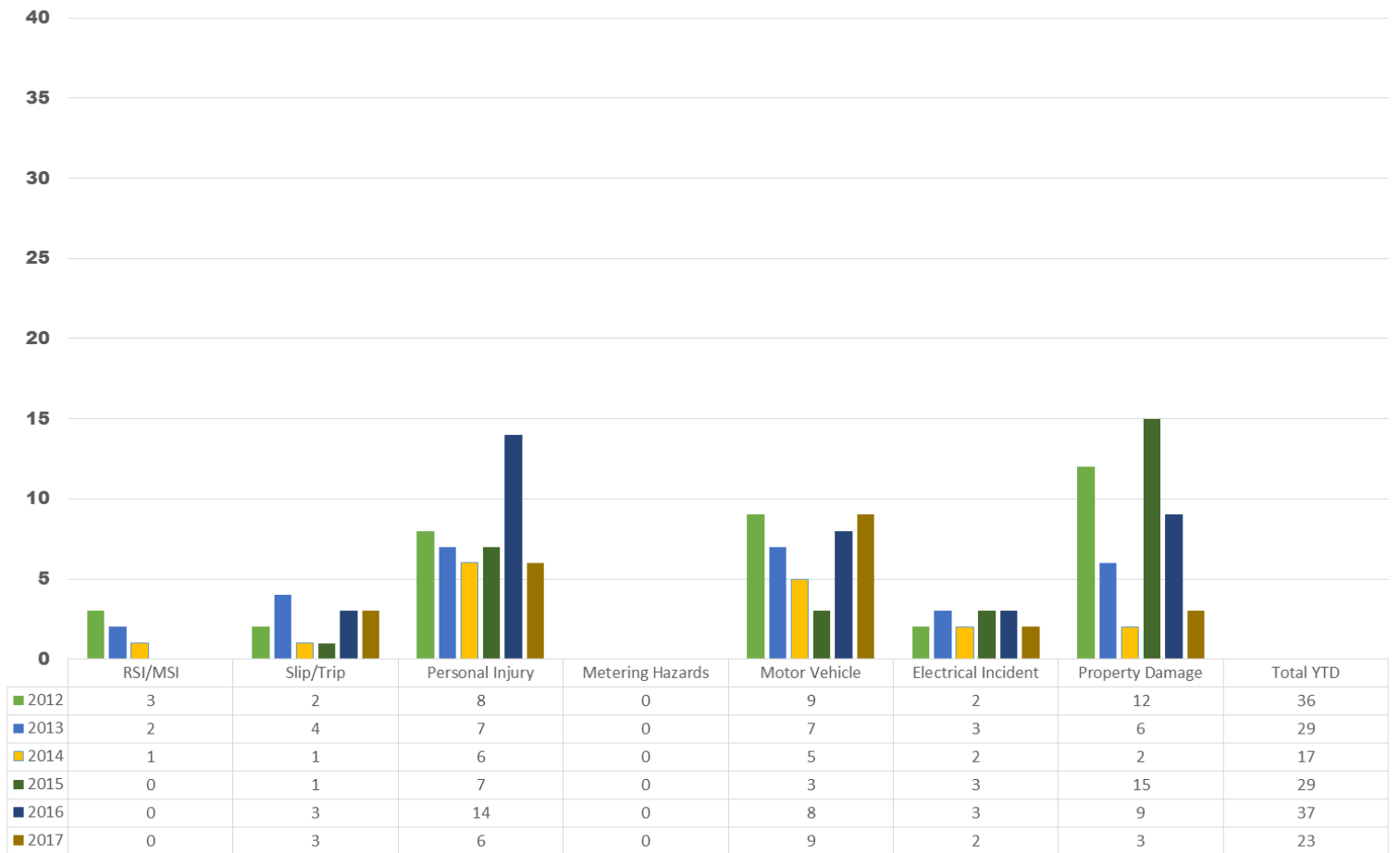
Mobile Site Launched January 9, 2014

Mobile Sessions: Accessing the site using a mobile device (excludes tablets)



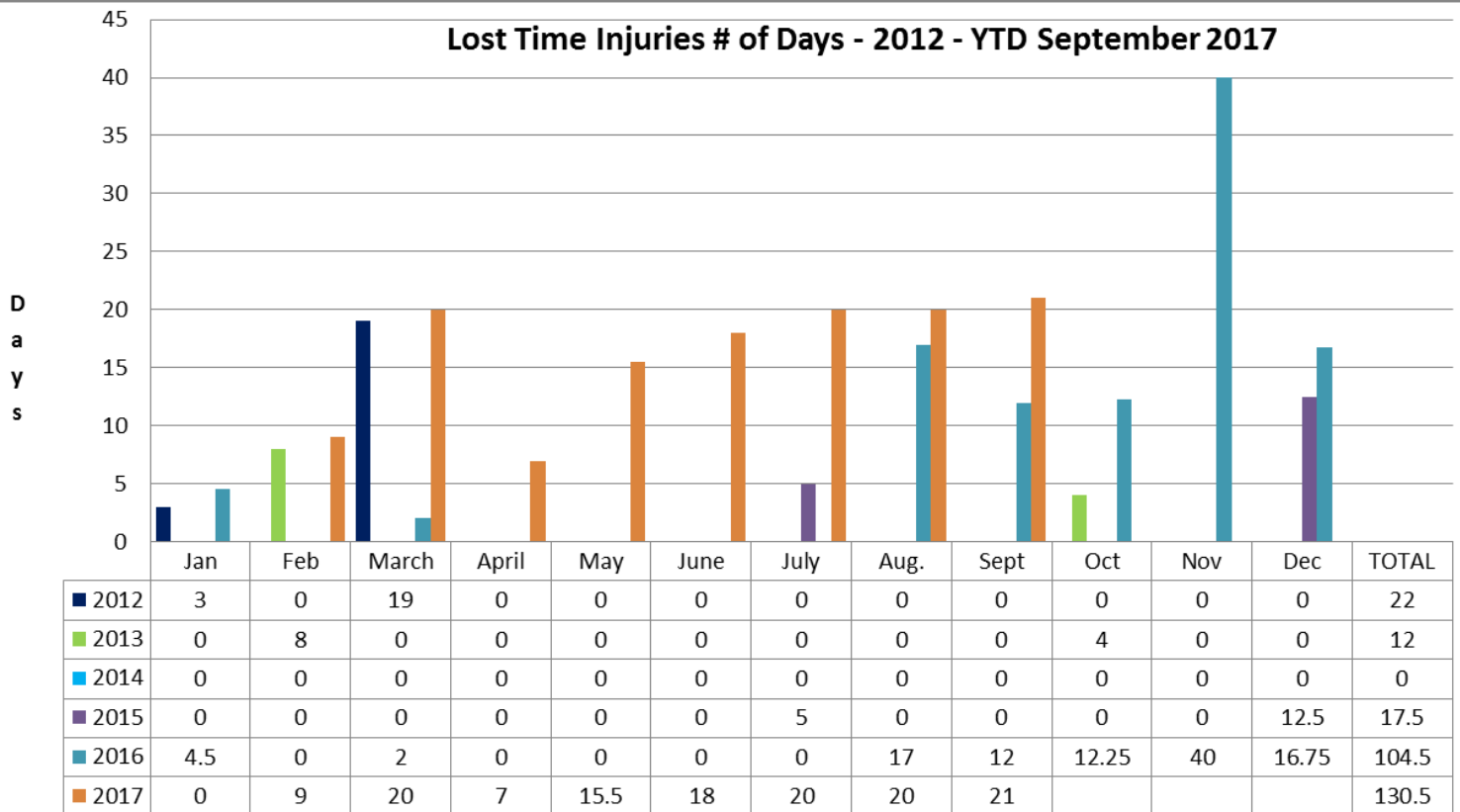
Safety

Accidents/Incidents as at September 30, 2017

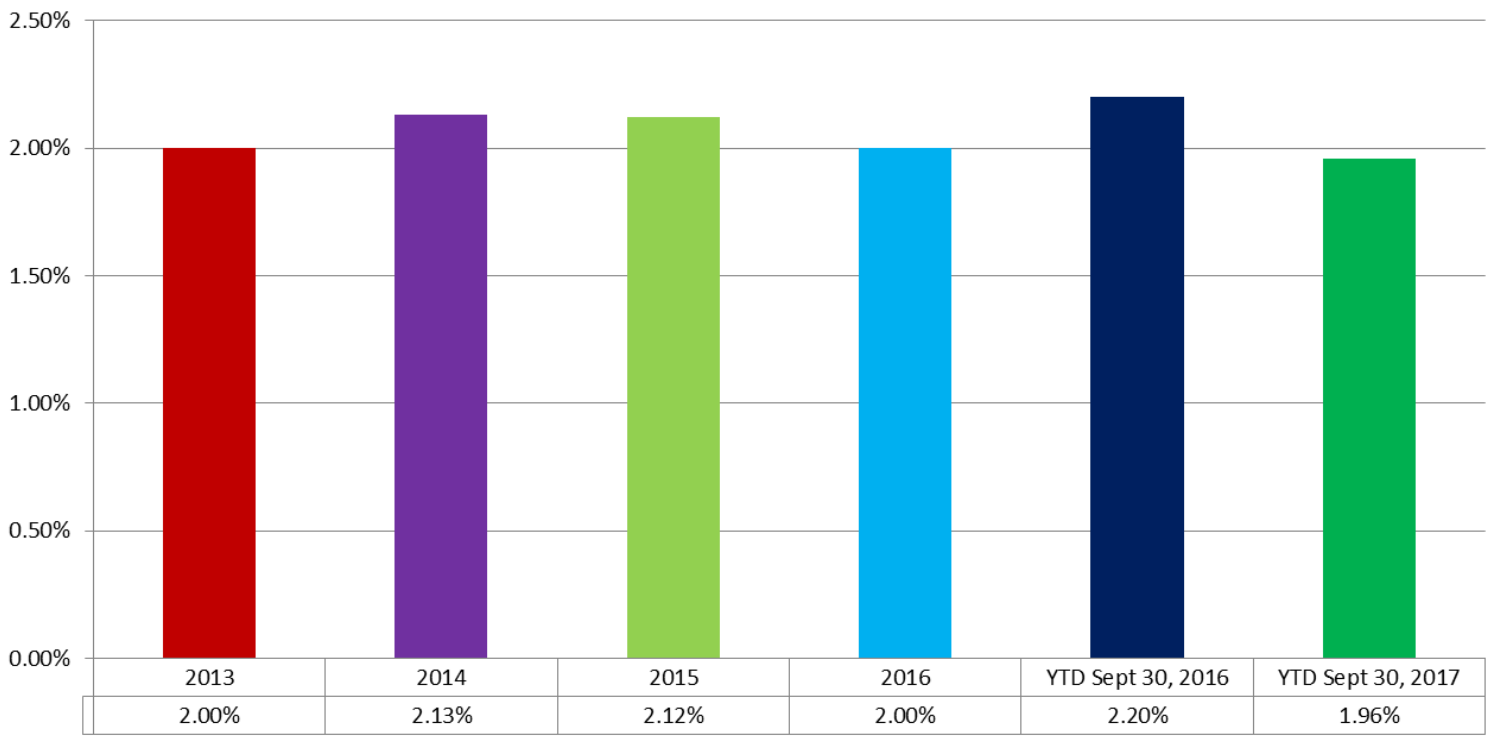


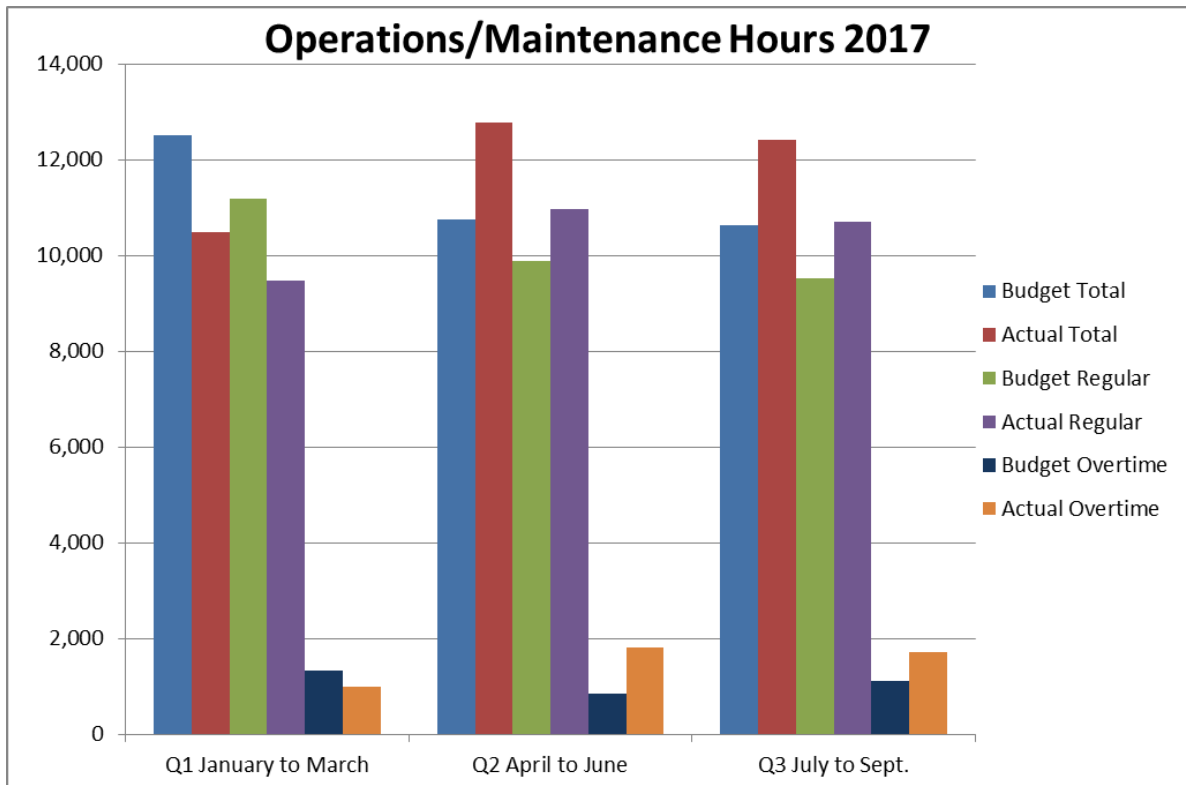
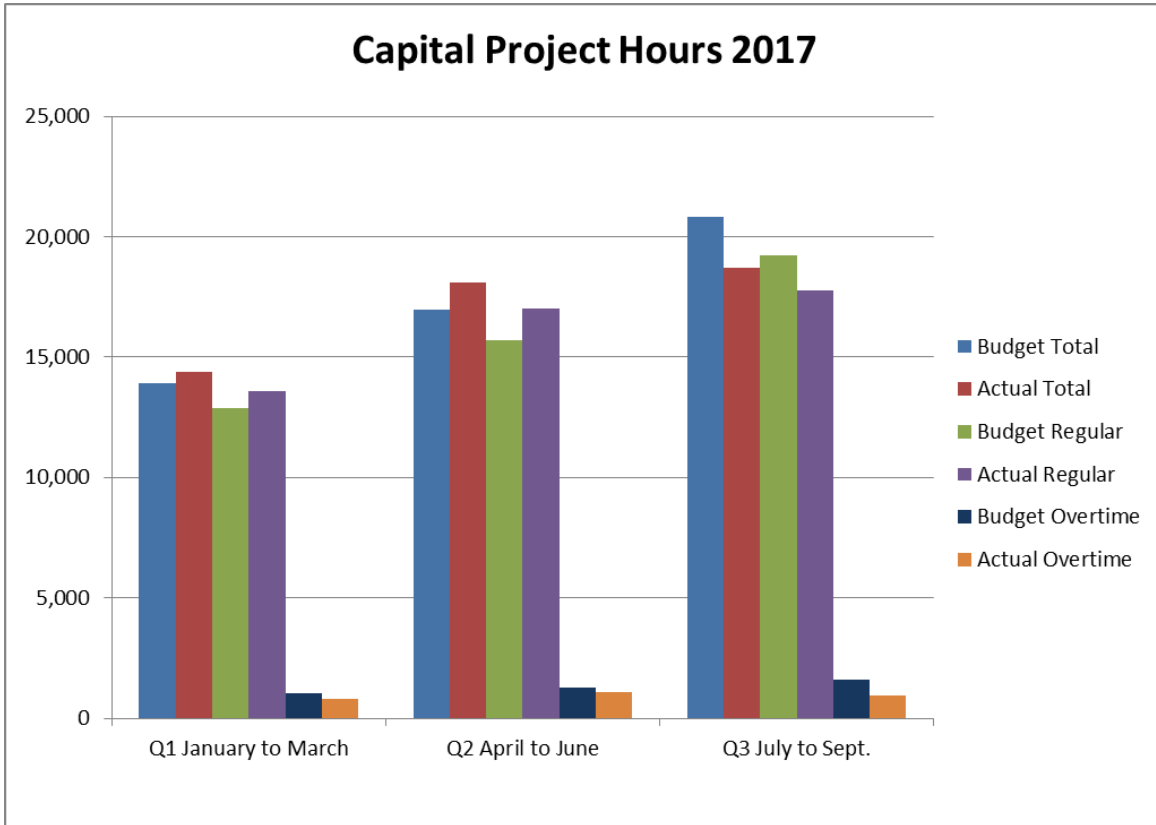
Attendance

Lost Time Injuries # of Days - 2012 - YTD September 2017

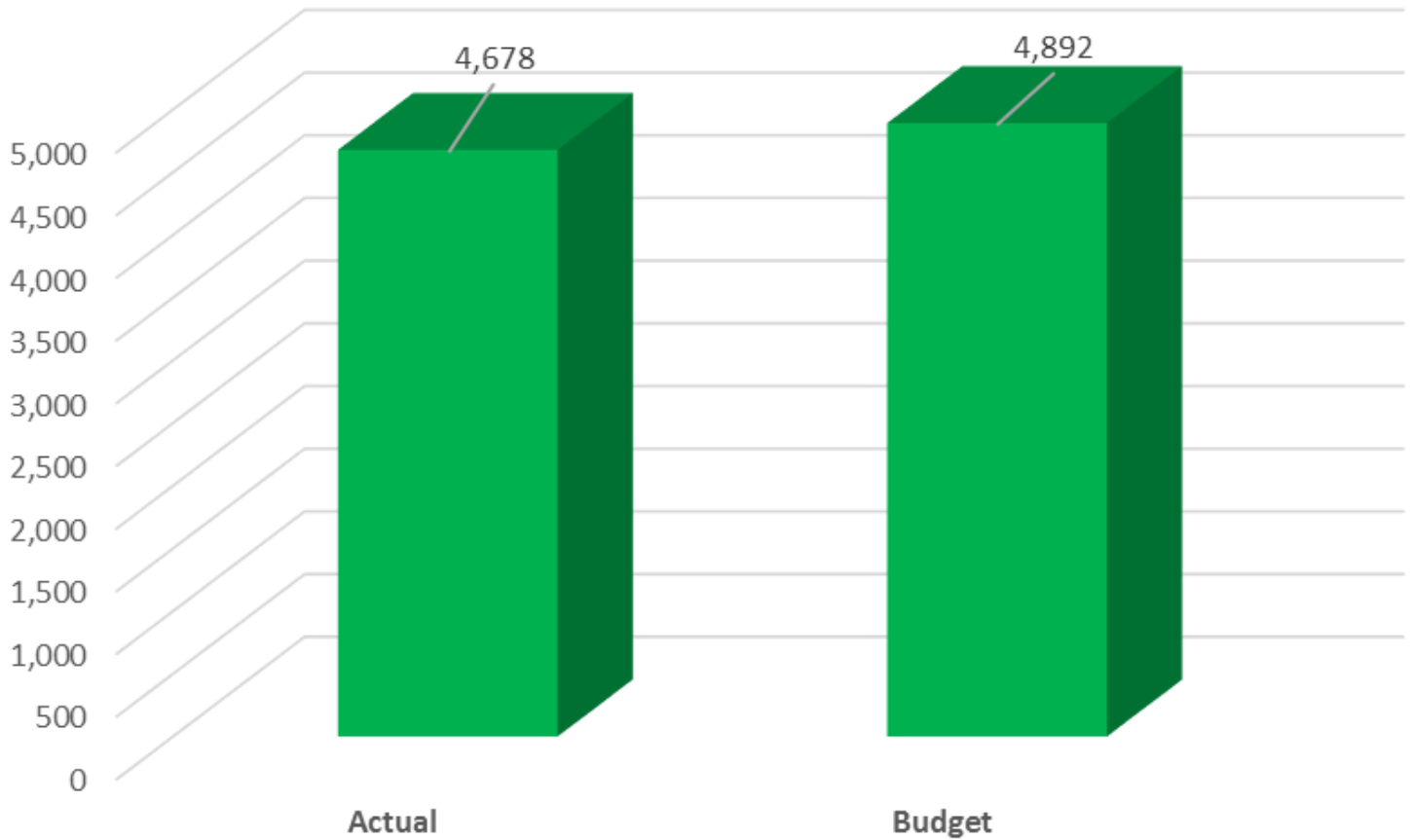


Absenteeism Rate 2013 - YTD September 2017





Net Income YTD September 30, 2017 Actual vs. Budget 000's



Appendix 1-SEC-6(vii)

Year End 2017 Key Performance Indicators



KEY PERFORMANCE INDICATORS

Year End 2017

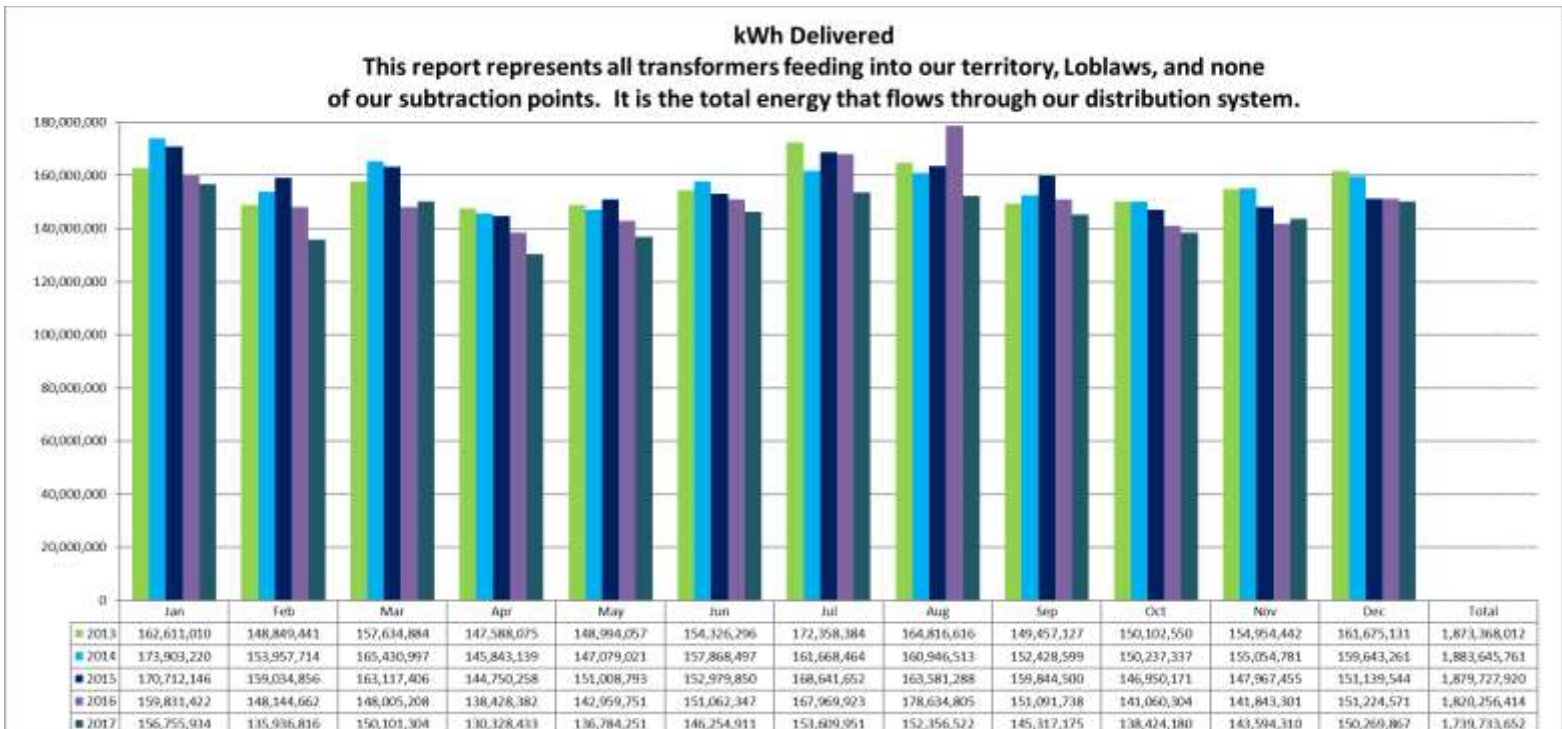
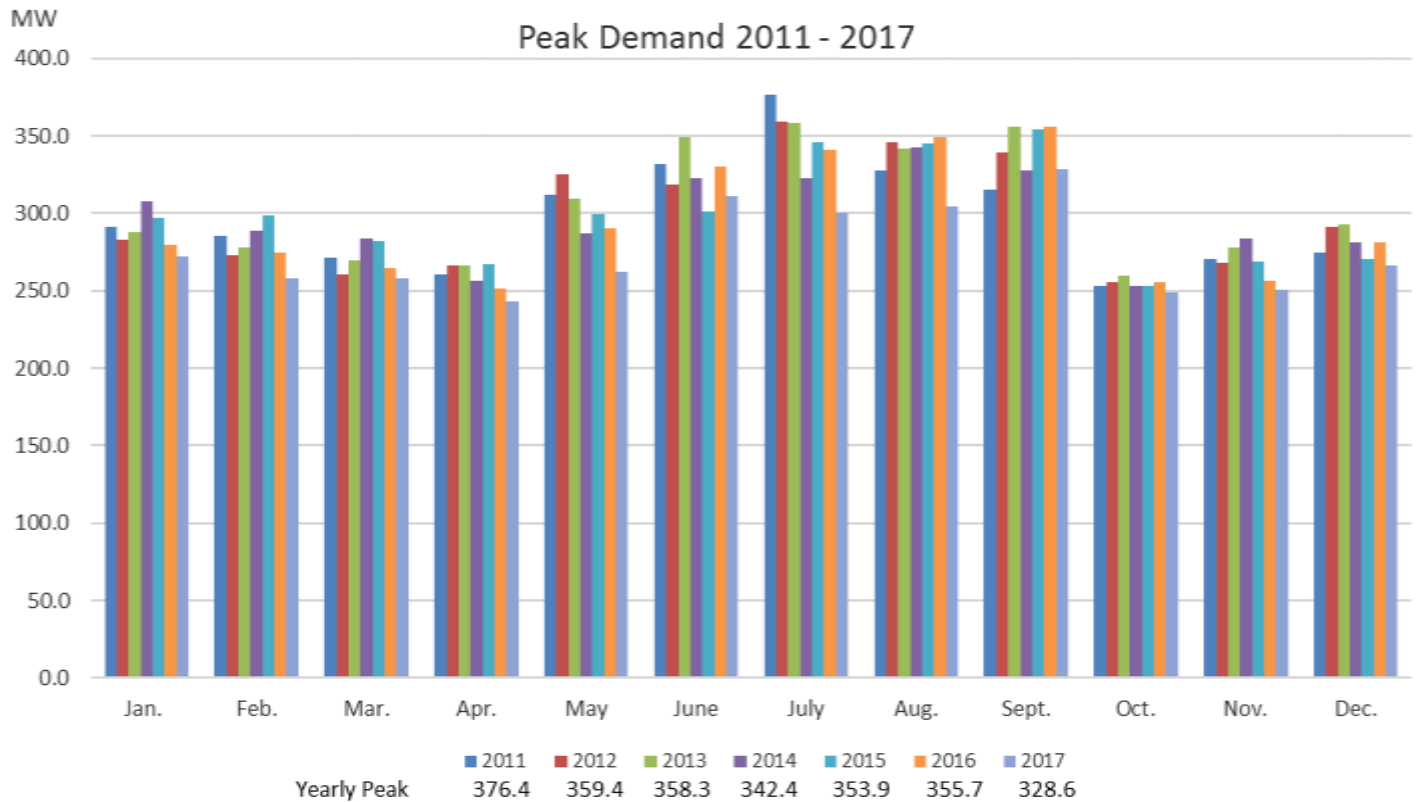


we deliver.



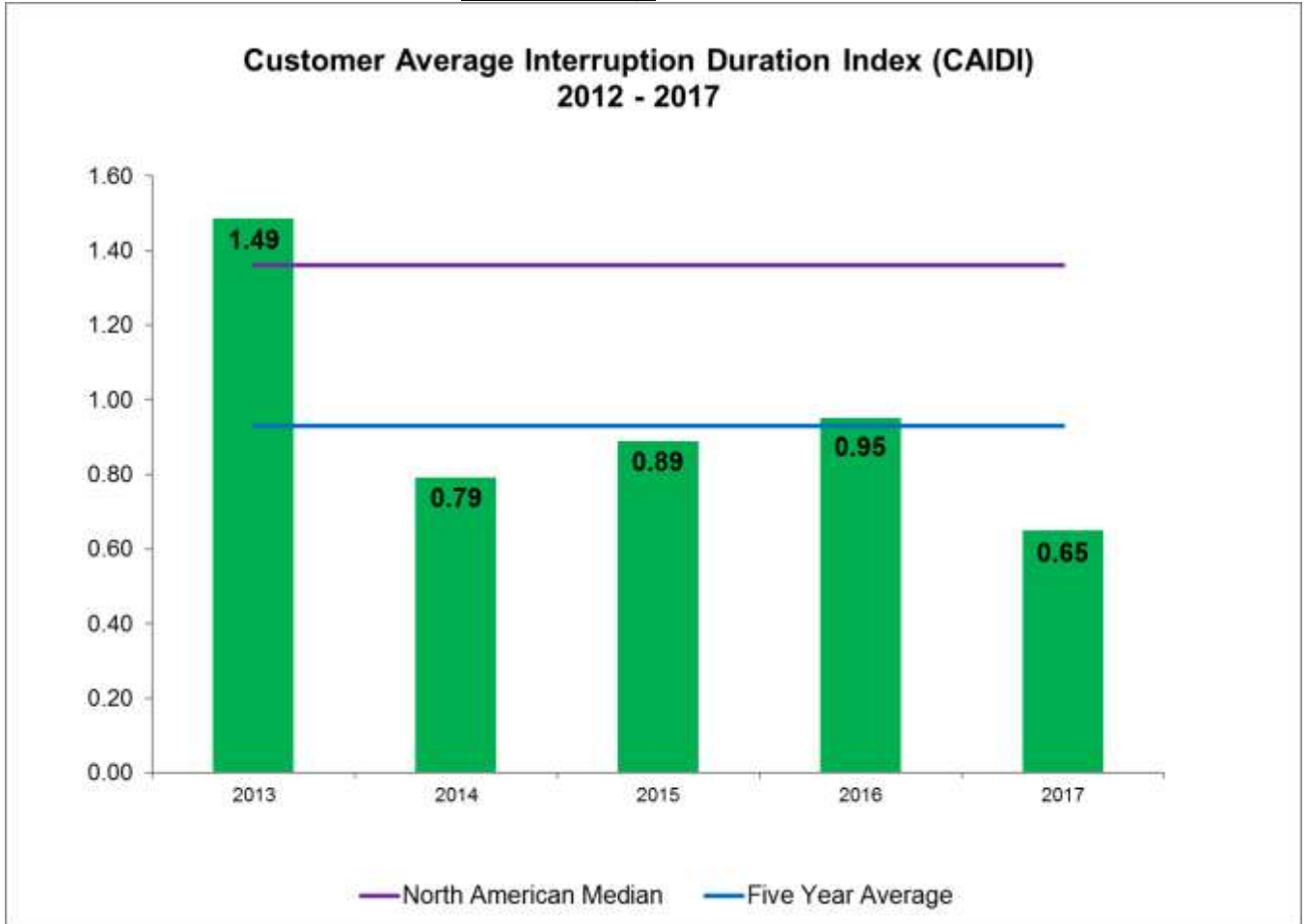


Performance Indicators



Performance Indicators

Reliability

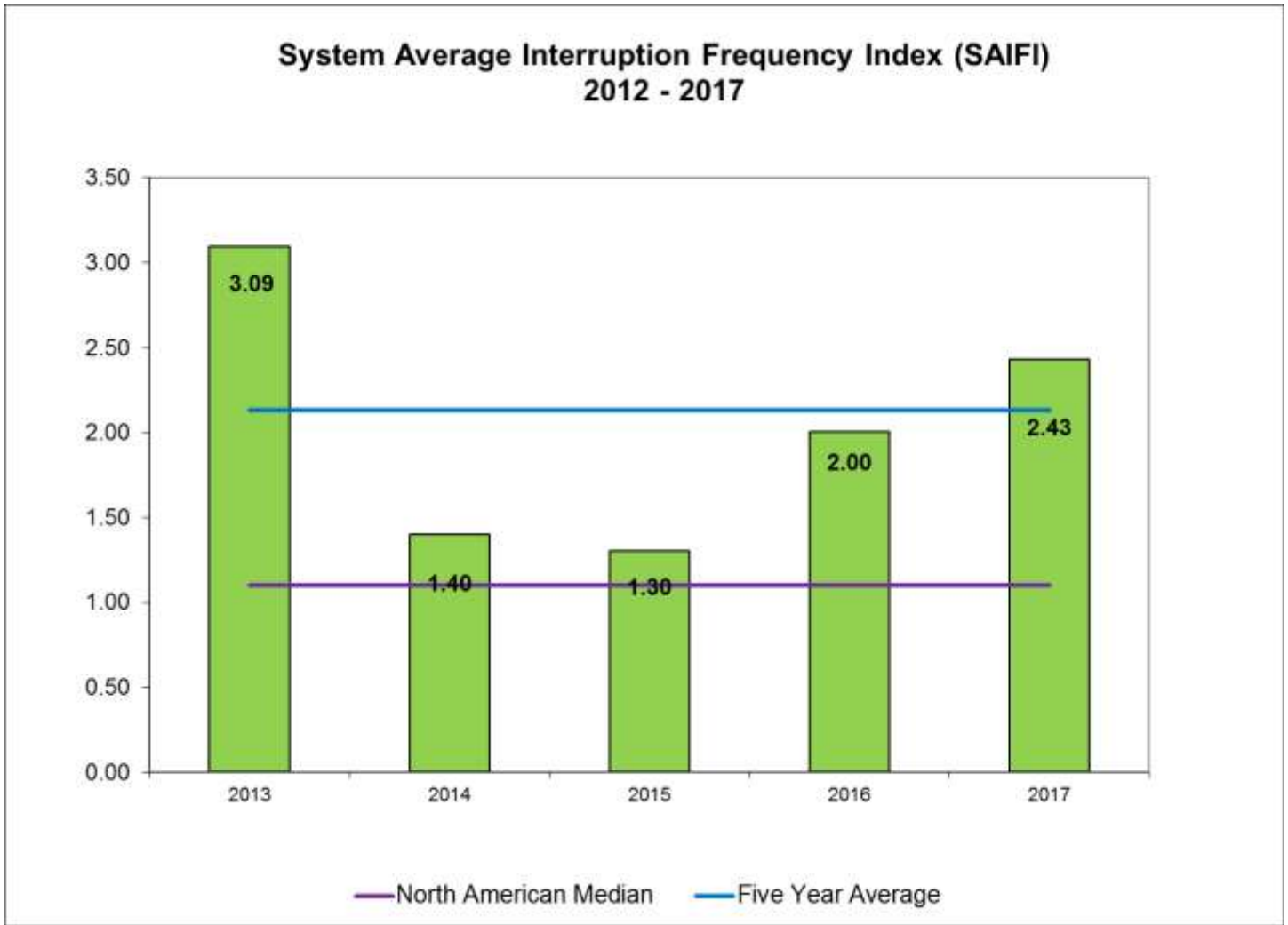


Customer Average Interruption Duration Index (CAIDI)

CAIDI gives the average outage duration that any given customer would experience. CAIDI can also be viewed as the average restoration time. According to IEEE Standard 1366 the median value for North American utilities is approximately 1.36 hours.



Performance Indicators

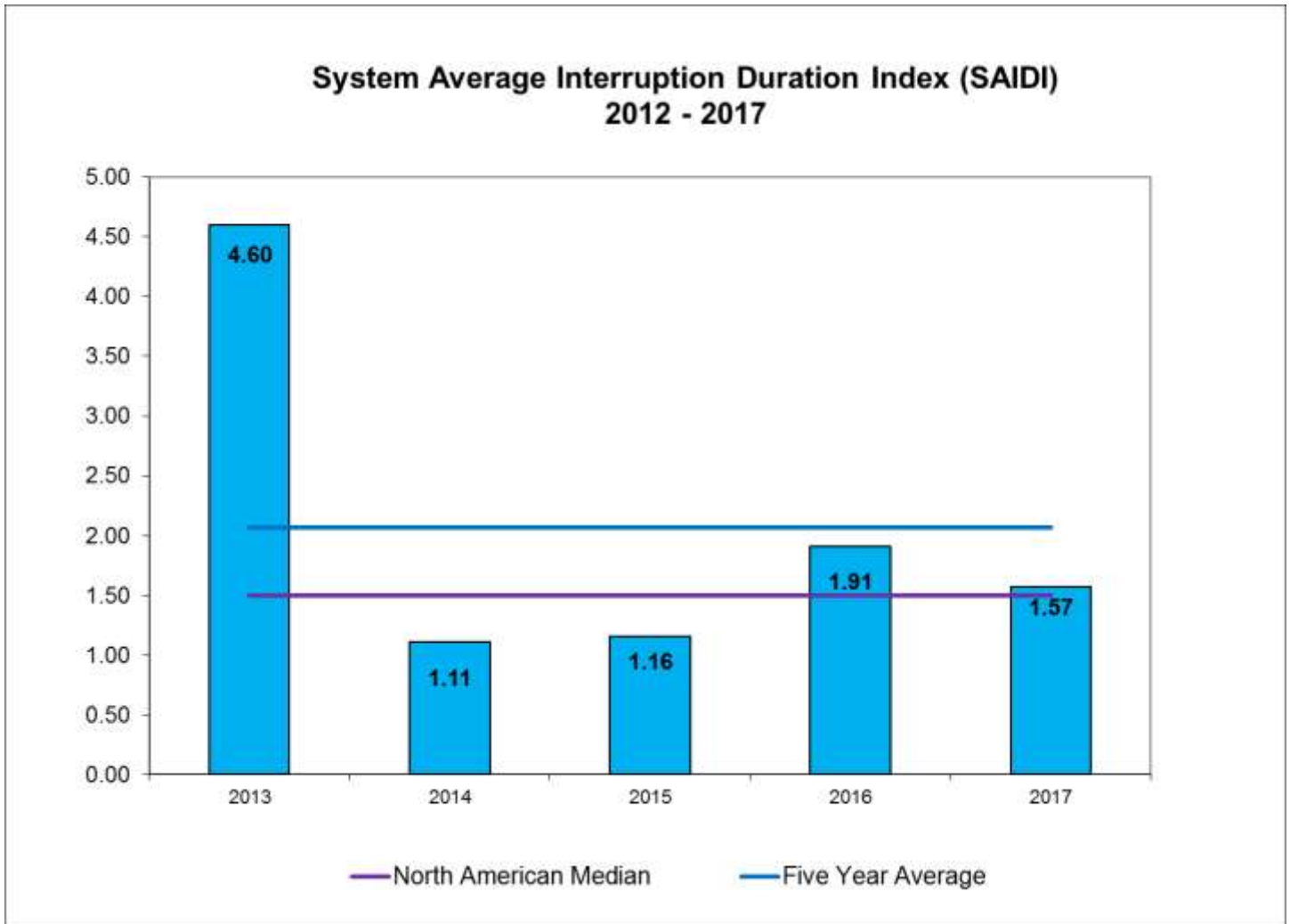


System Average Interruption Frequency Index (SAIFI)

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Performance Indicators



System Average Interruption Duration Index (SAIDI)

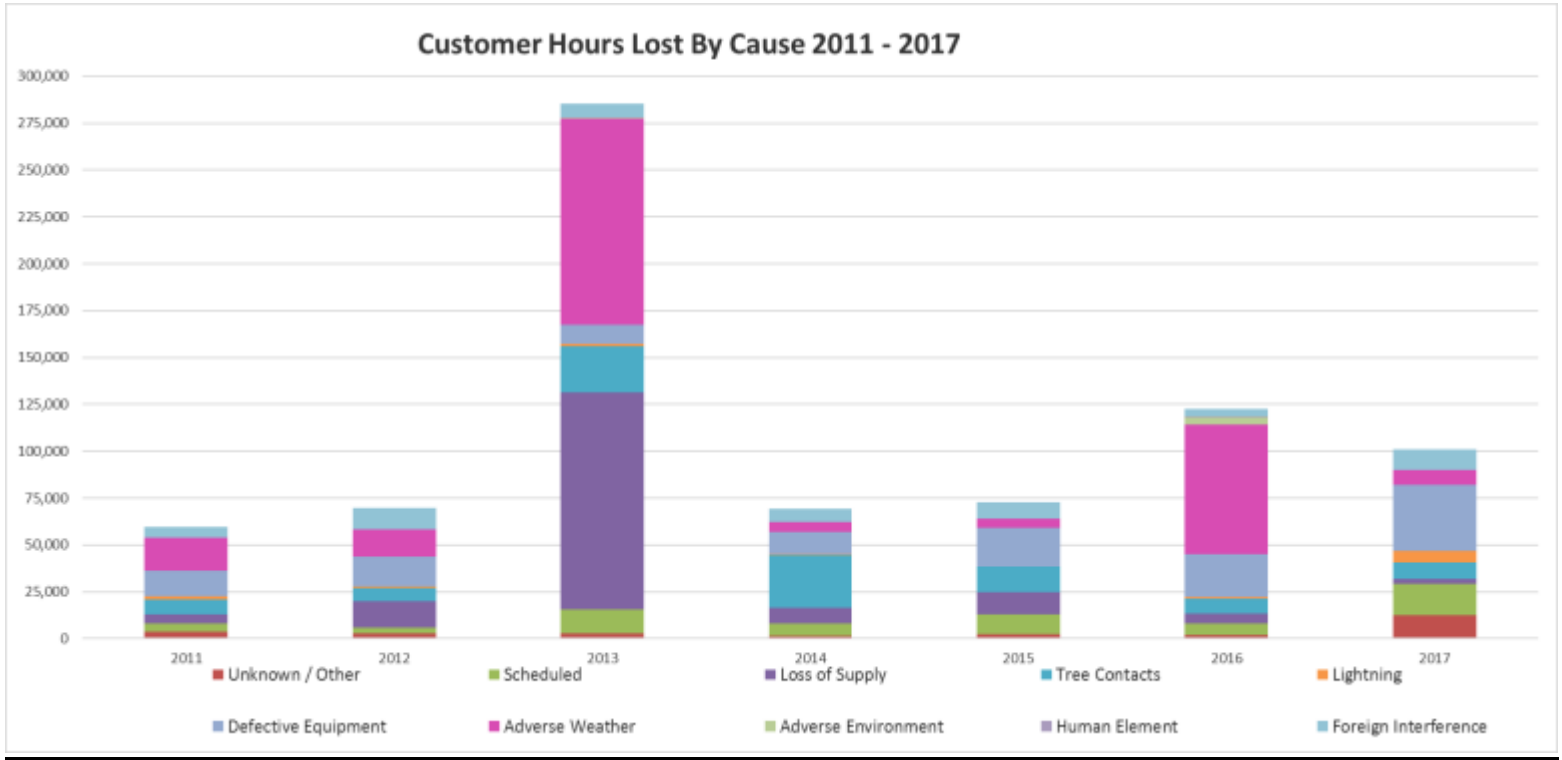
SAIDI is the average outage duration for each customer served. SAIDI is measured in units of time, often minutes or hours. It is usually measured over the course of a year, and according to IEEE Standard 1366, the median value for North American utilities is approximately 1.50 hours.

The 2013 reliability figures were impacted significantly by two major ice storms. There was a major ice storm in April 2013 and then another one in December 2013. Customers were out of power for several days in December 2013.

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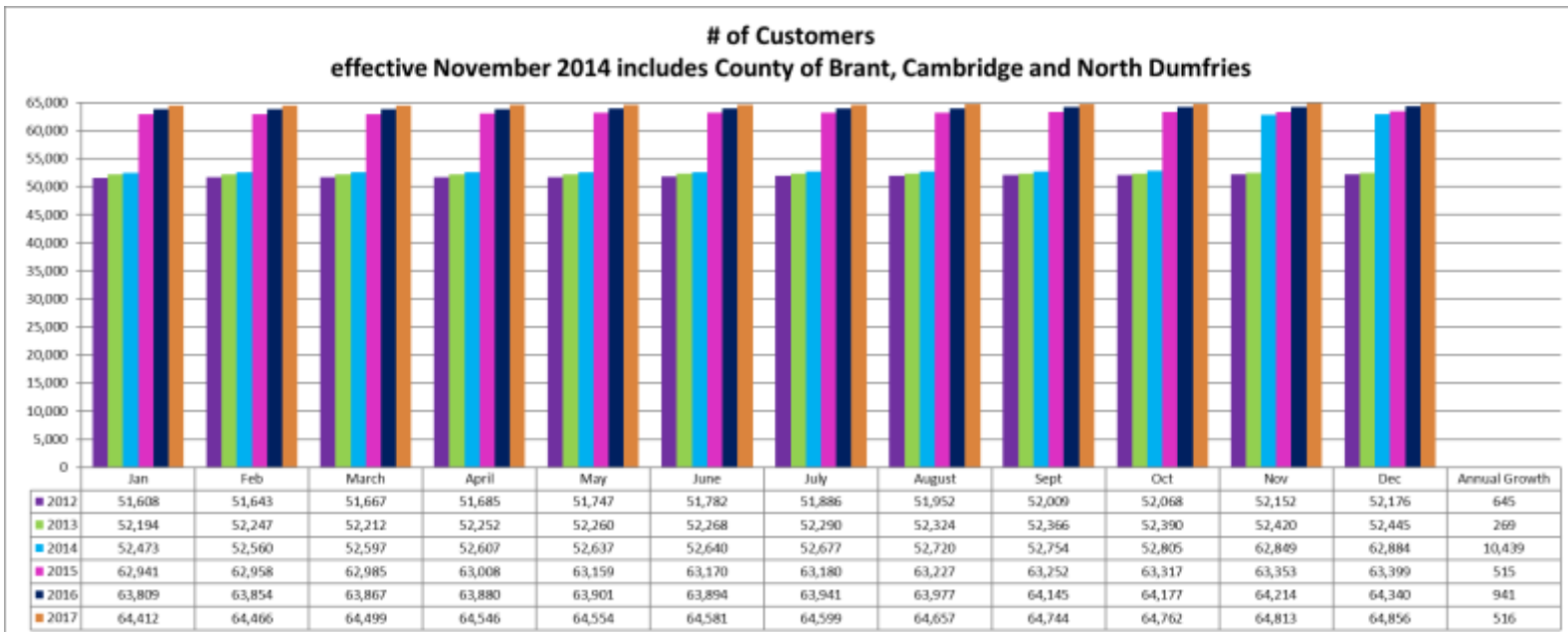
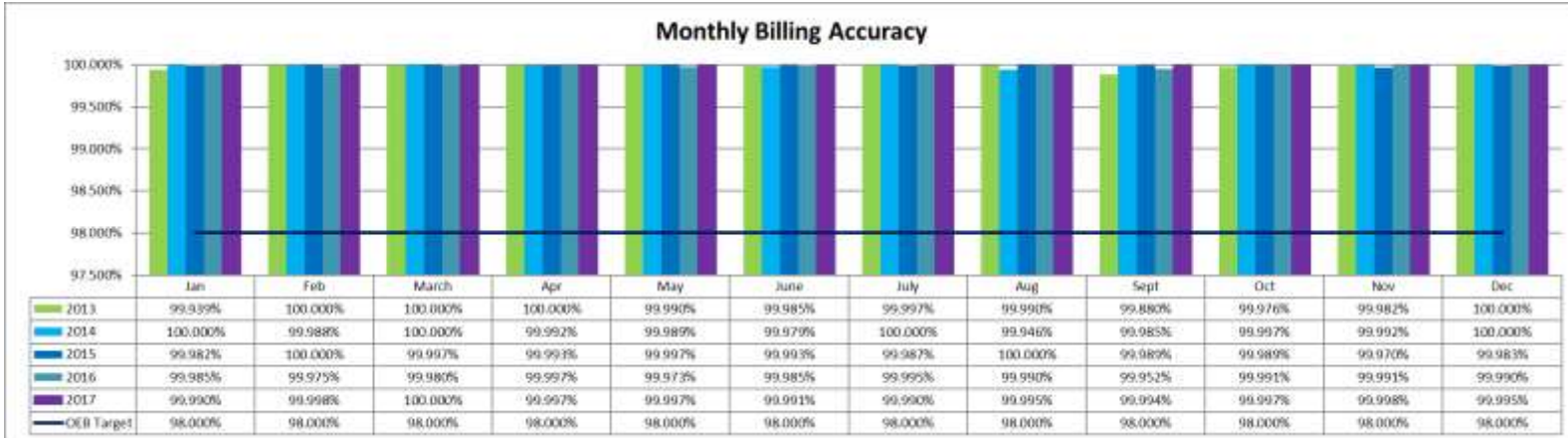
Performance Indicators





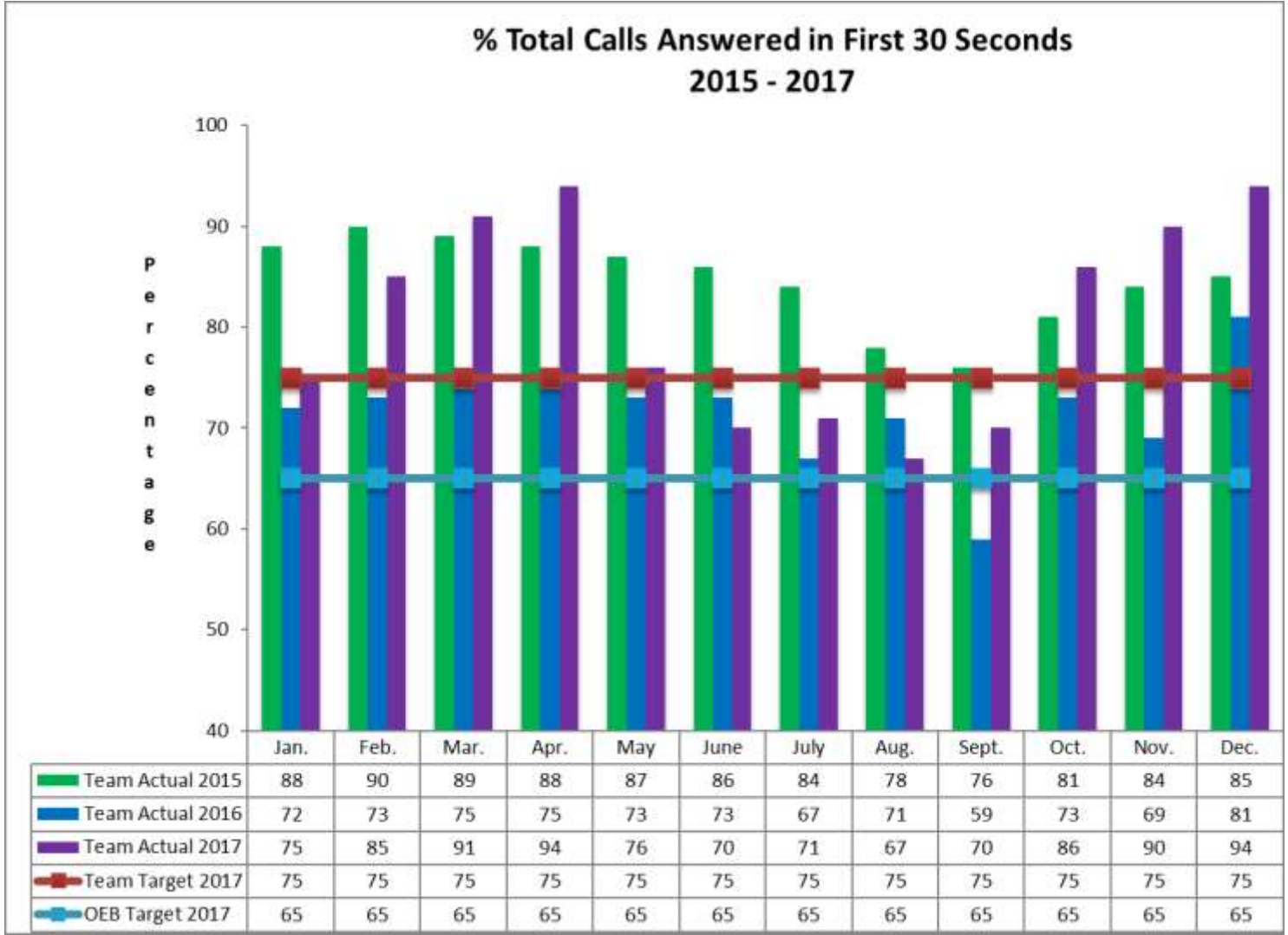
Performance Indicators

BILLING



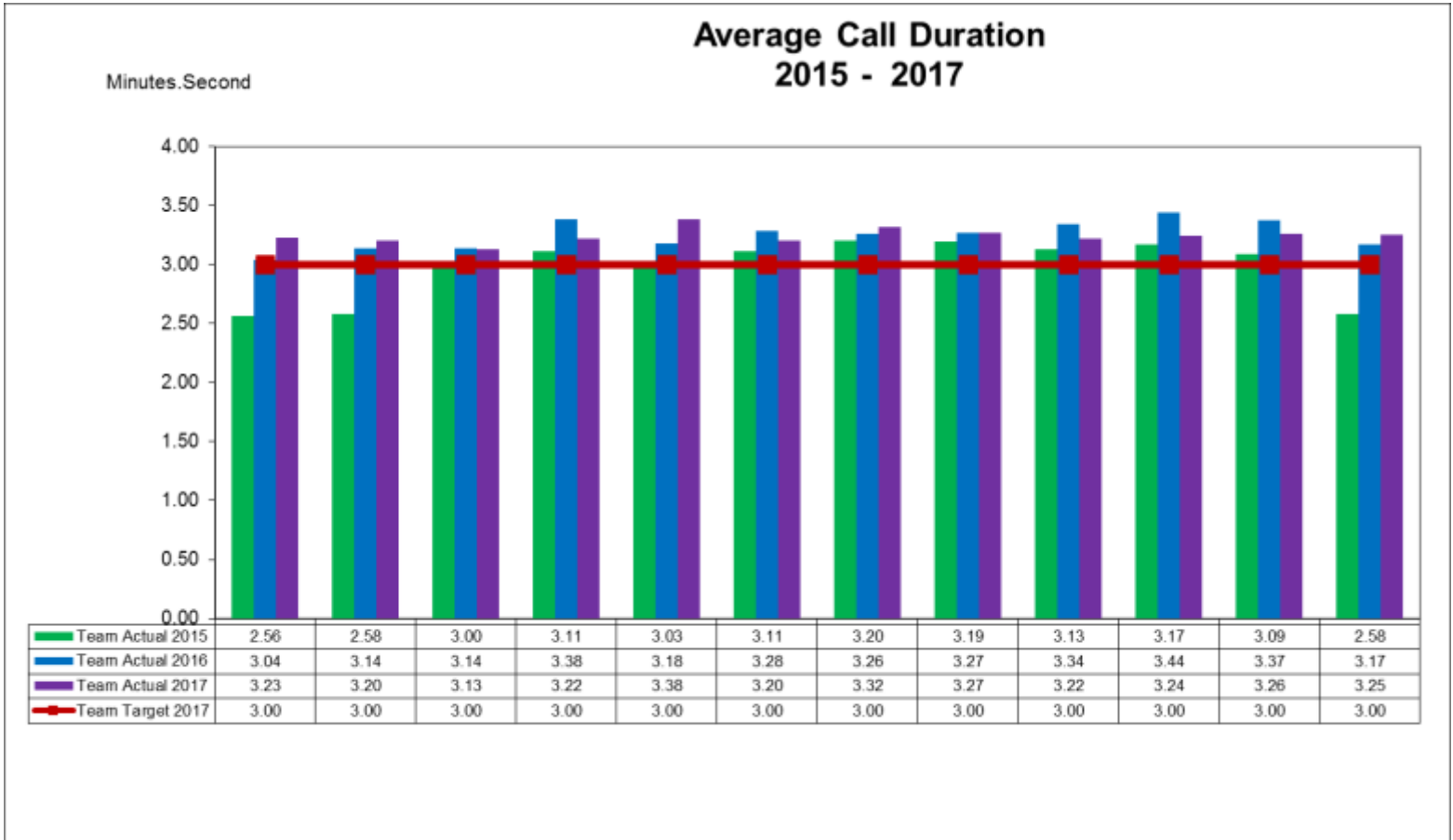
Performance Indicators

Telephone Stats



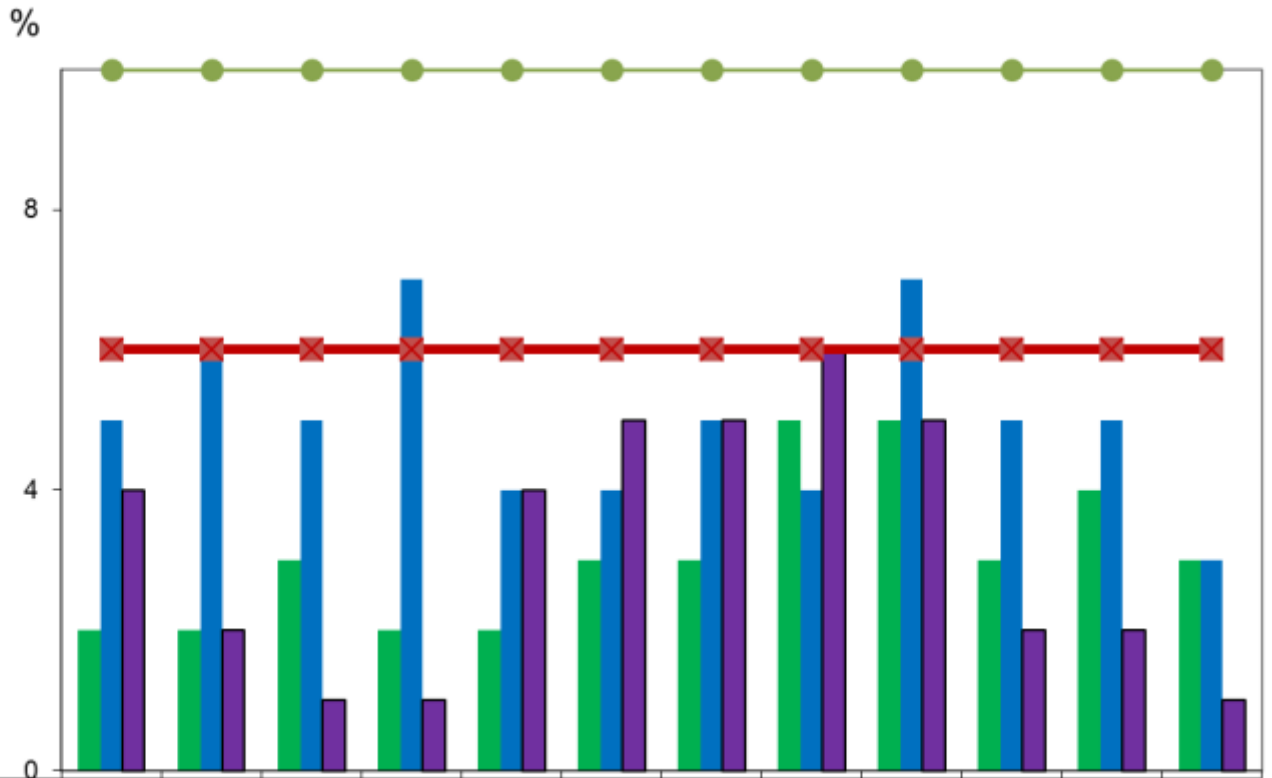


Performance Indicators



Performance Indicators

% Total Calls Abandoned 2015 - 2017



Team Actual 2015	2	2	3	2	2	3	3	5	5	3	4	3
Team Actual 2016	5	6	5	7	4	4	5	4	7	5	5	3
Team Actual 2017	4	2	1	1	4	5	5	6	5	2	2	1
Team Target 2017	6	6	6	6	6	6	6	6	6	6	6	6
OEB Target 2017	10	10	10	10	10	10	10	10	10	10	10	10



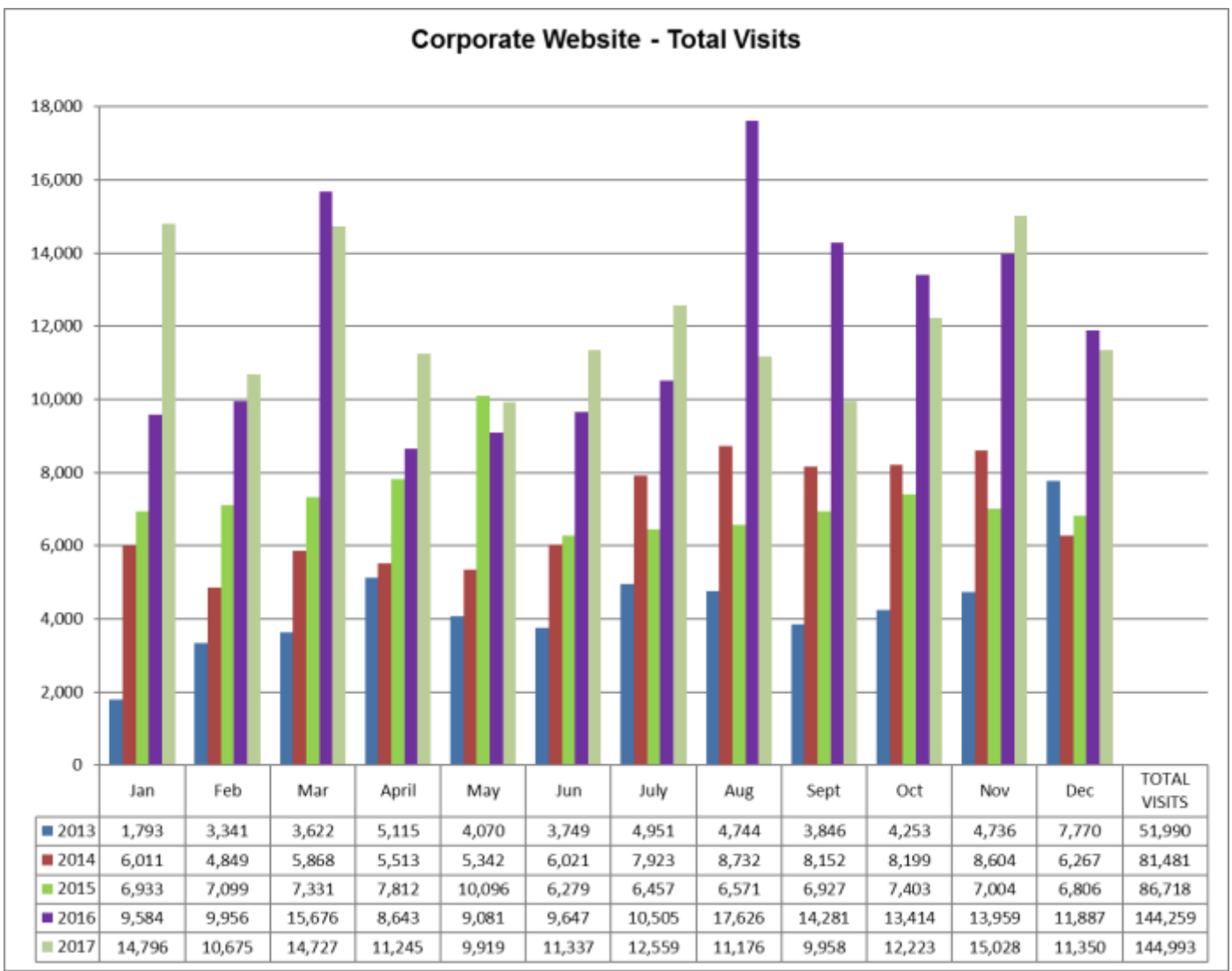
Performance Indicators

COMMUNICATIONS

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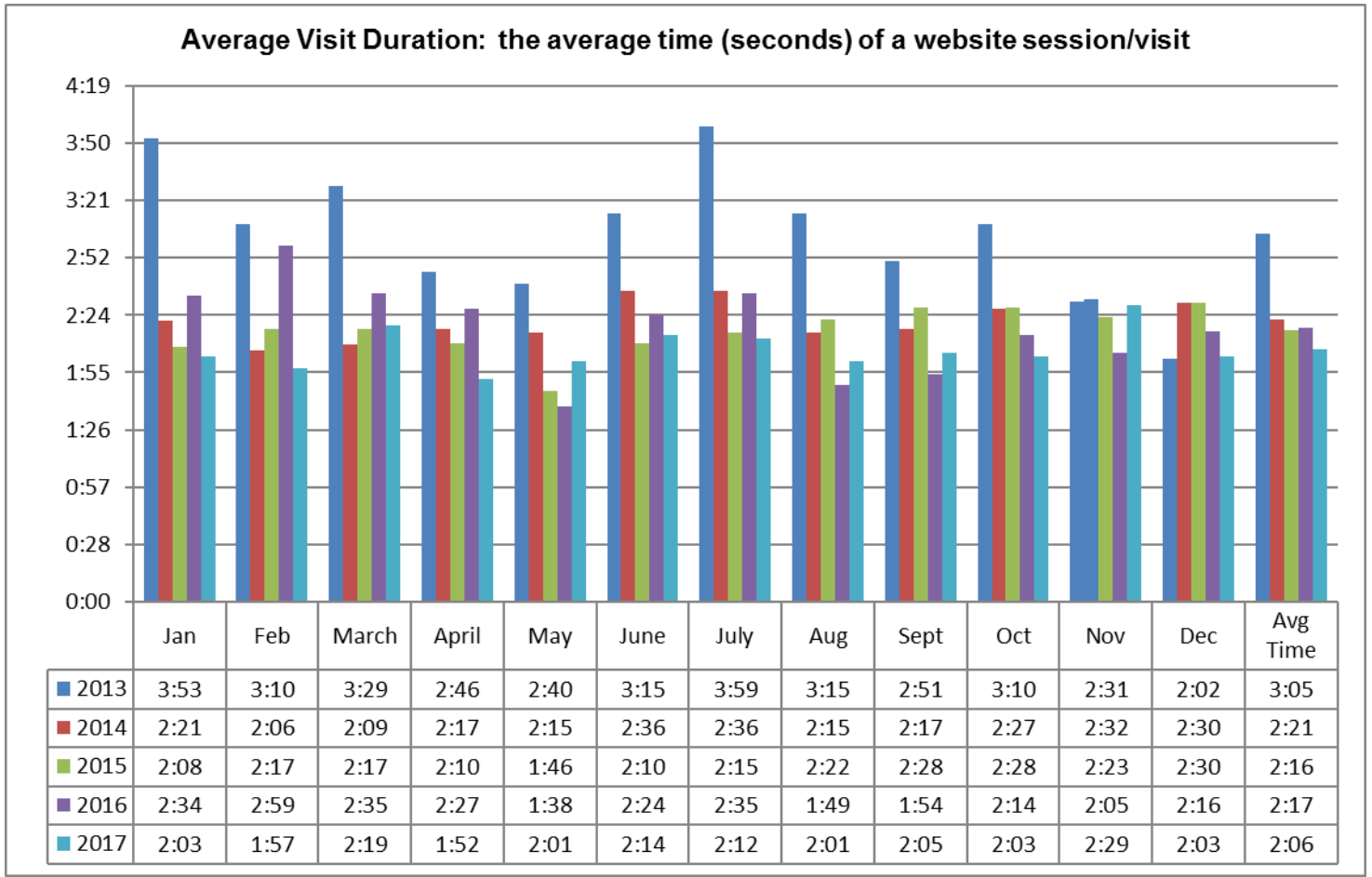
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- 2017 Significant Events** Outages Jan 29, Feb 2, 7, March 22, 29, July
eBill Campaign Oct 20

Corporate Website - Total Visits





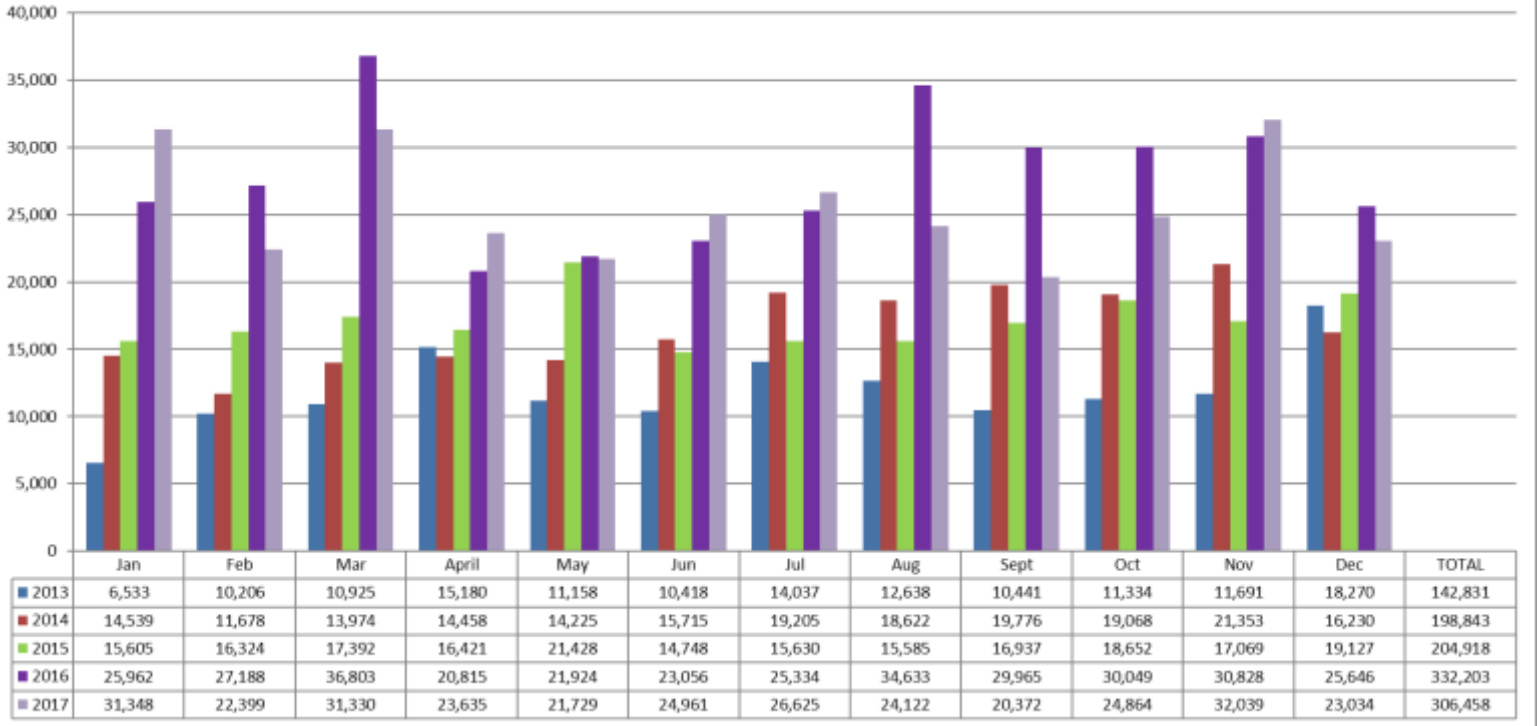
Performance Indicators





Performance Indicators

Page Views: The total number of pages that have been viewed by visitors each month

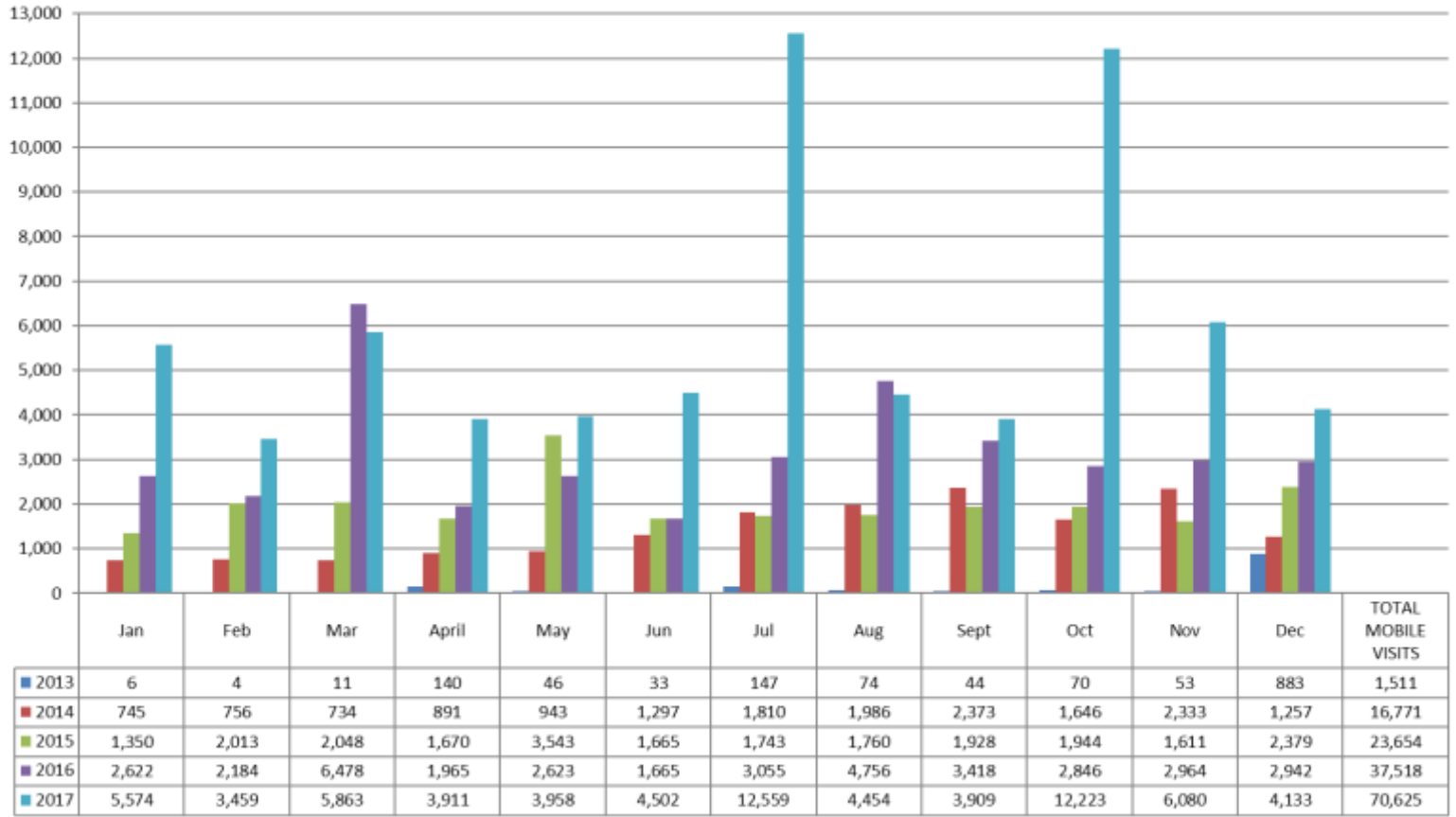




Performance Indicators

Mobile Site Launched January 9, 2014

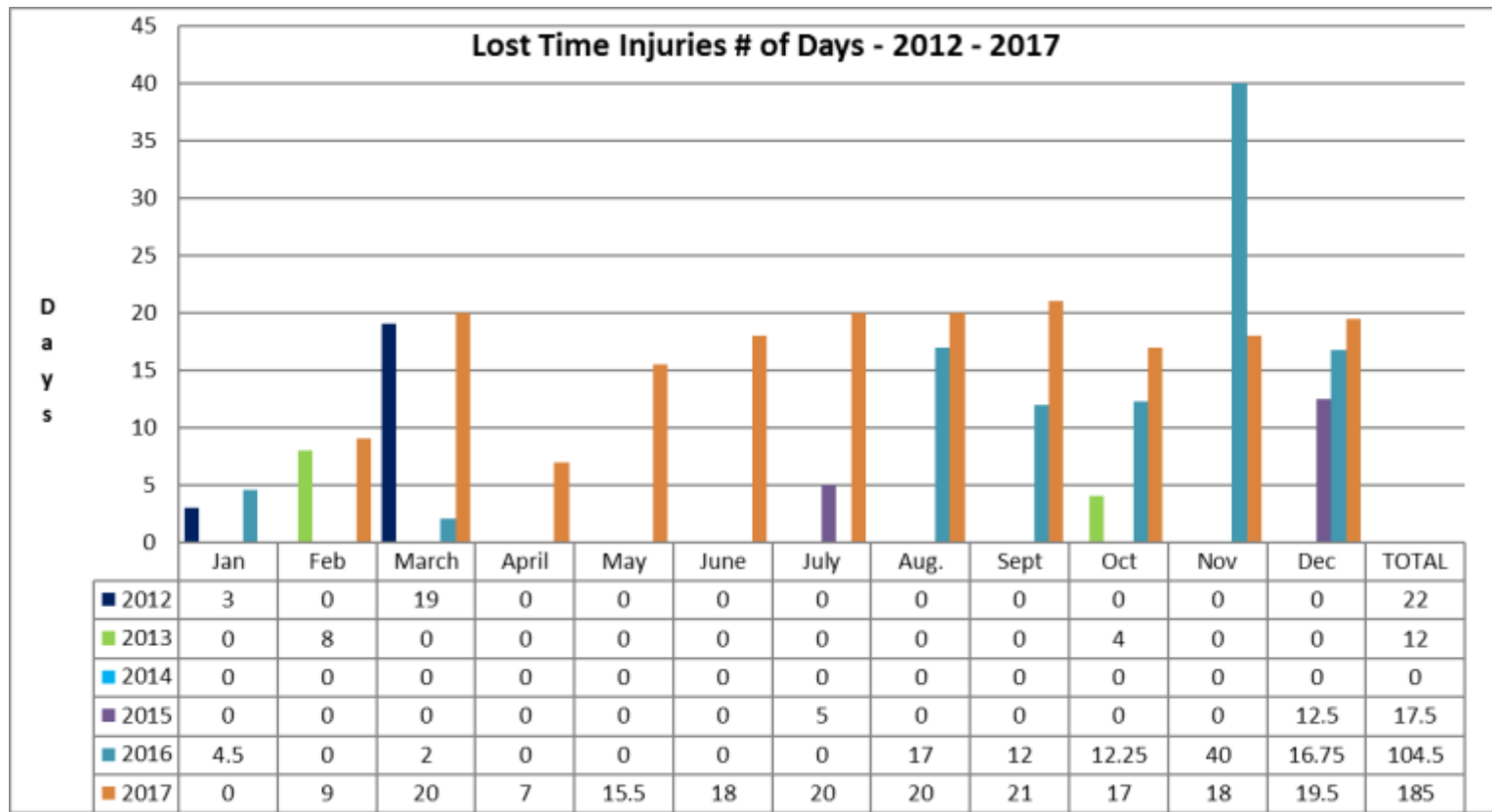
Mobile Sessions: Accessing the site using a mobile device (excludes tablets)





Performance Indicators

Safety

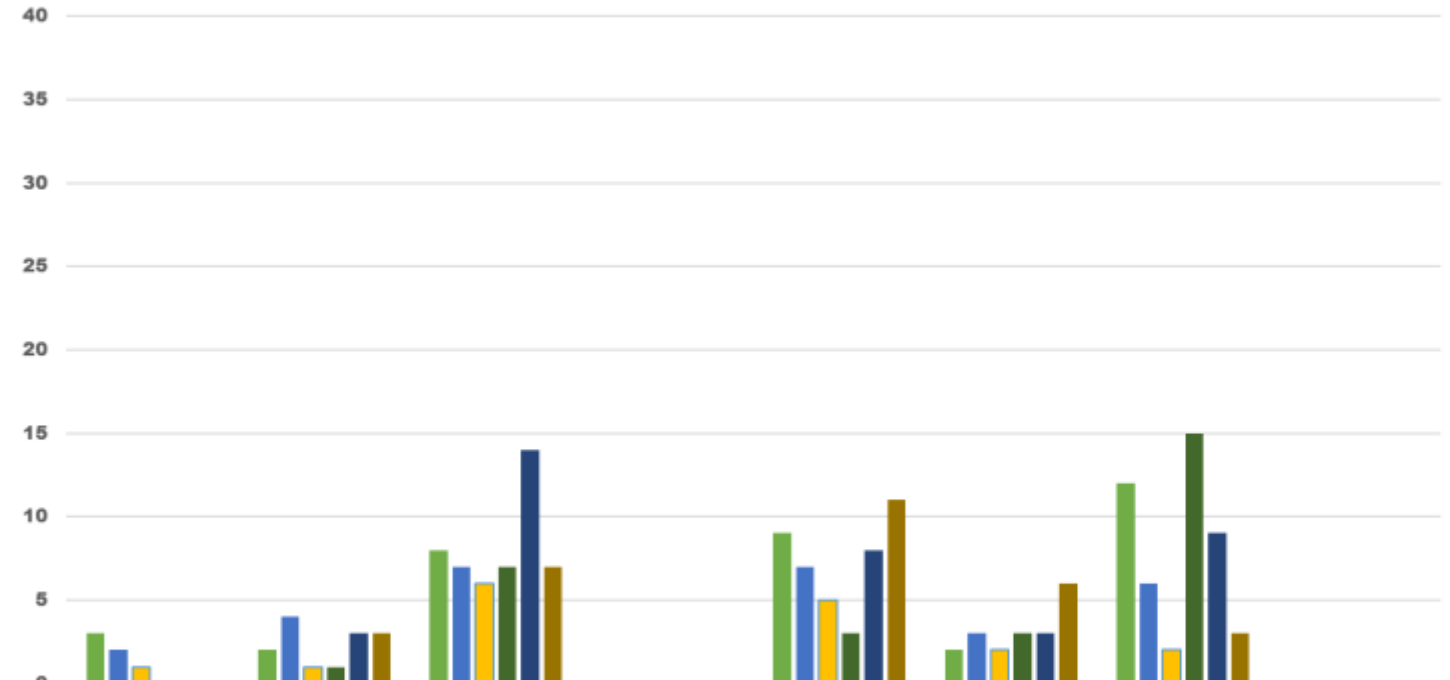




Performance Indicators

Attendance

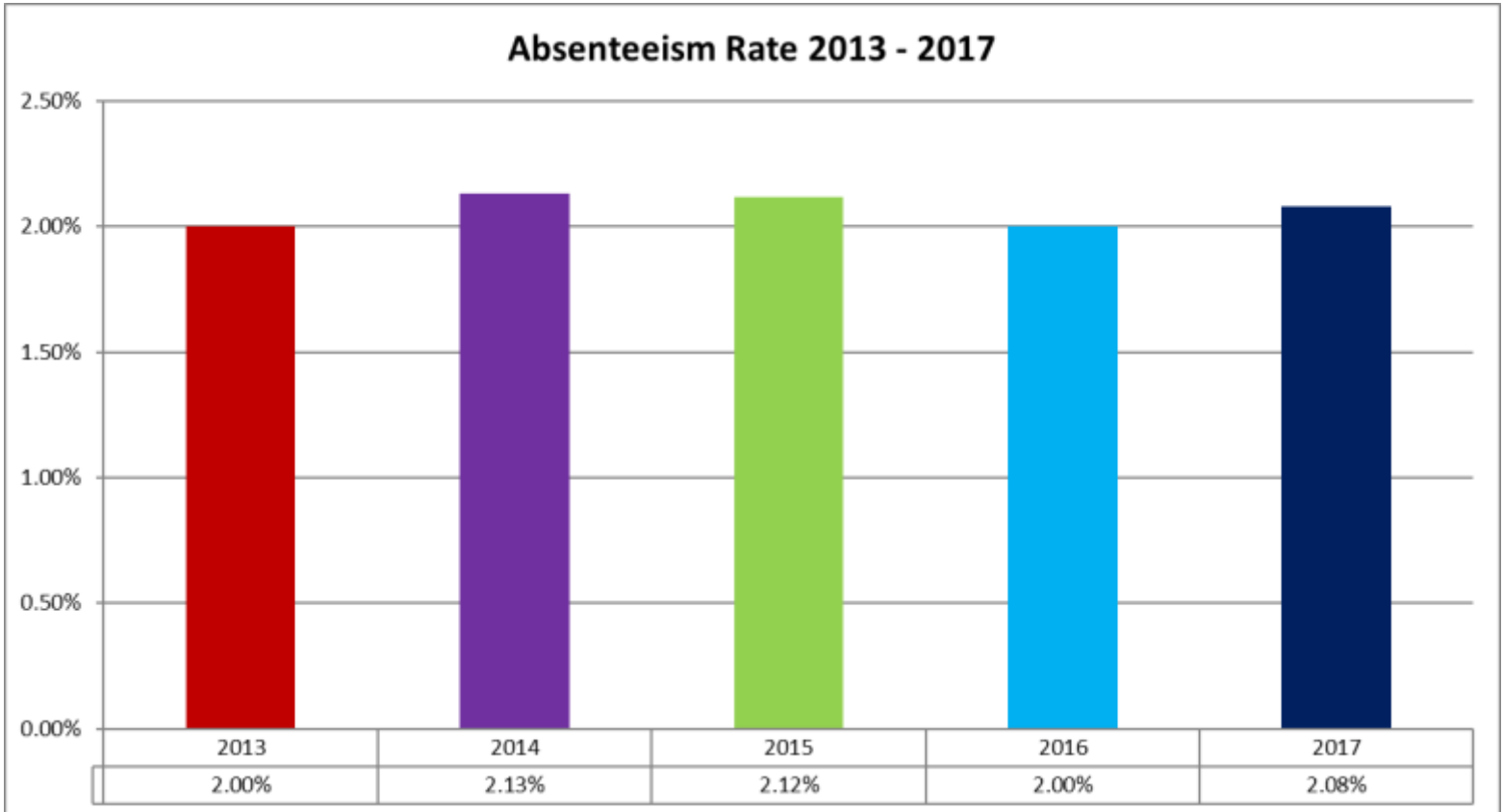
Accidents/Incidents 2012 - 2017



	RSI/MSI	Slip/Trip	Personal Injury	Metering Hazards	Motor Vehicle	Electrical Incident	Property Damage	Total YTD
2012	3	2	8	0	9	2	12	36
2013	2	4	7	0	7	3	6	29
2014	1	1	6	0	5	2	2	17
2015	0	1	7	0	3	3	15	29
2016	0	3	14	0	8	3	9	37
2017	0	3	7	0	11	6	3	30

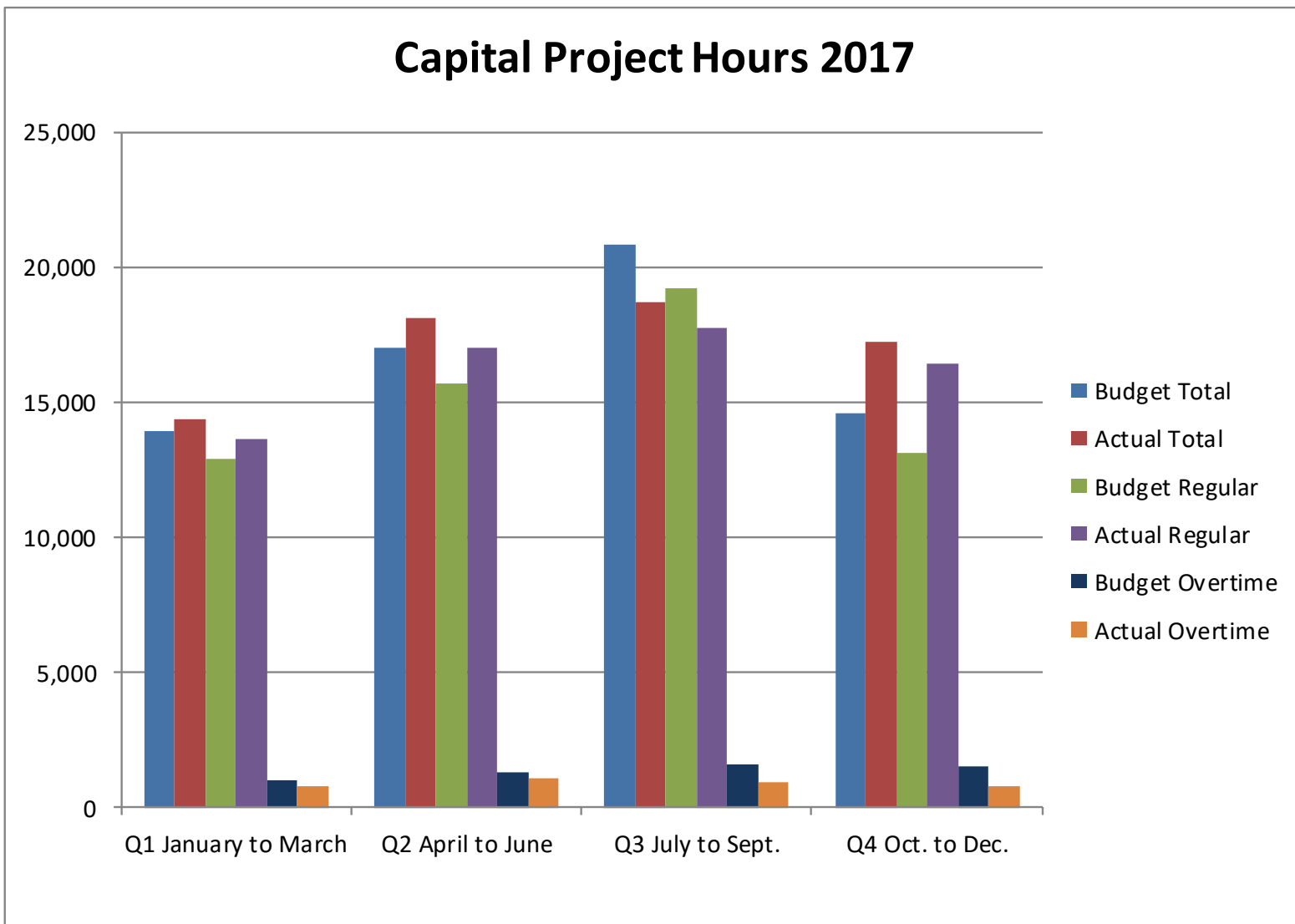


Performance Indicators



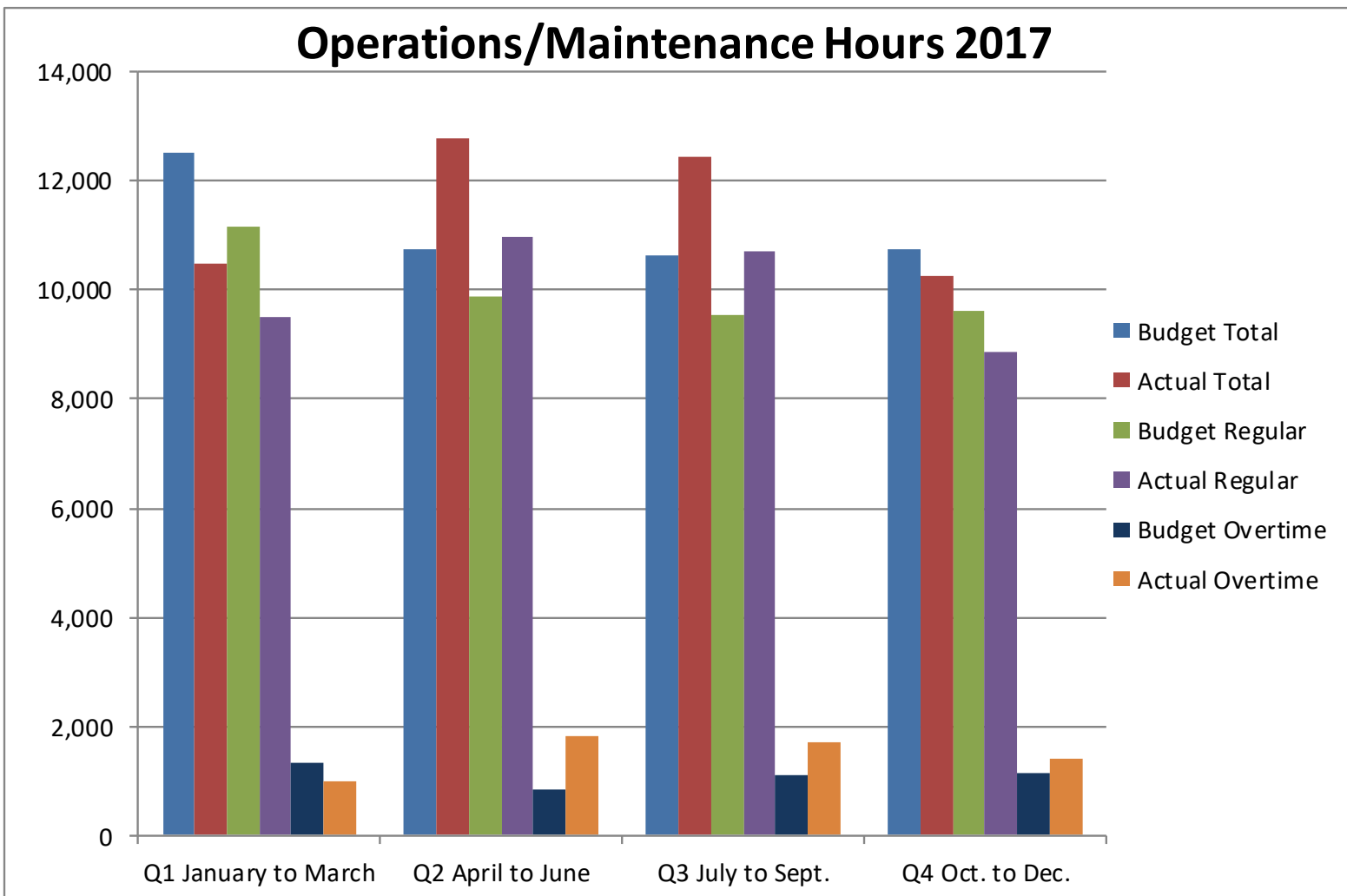


Performance Indicators

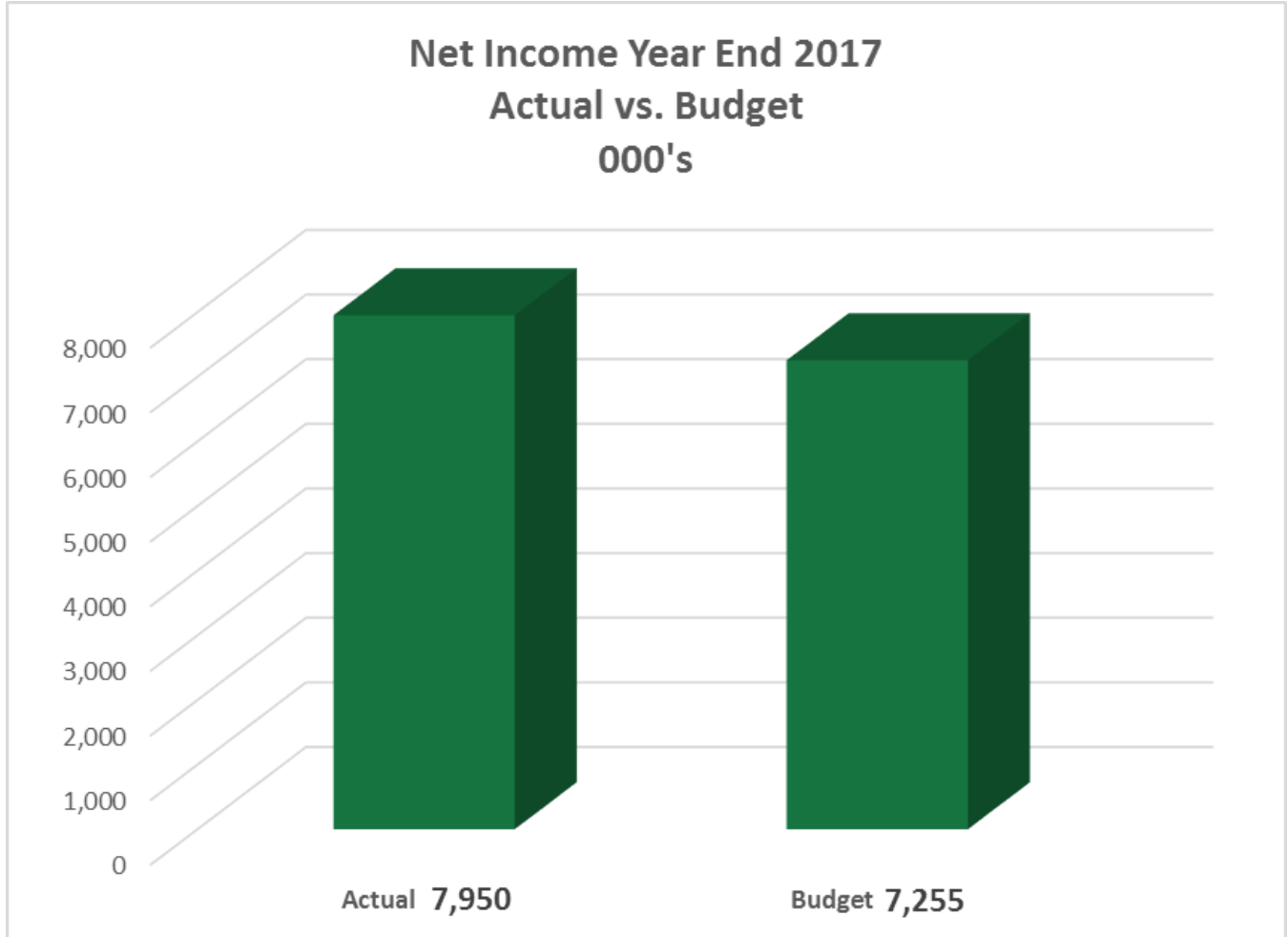




Performance Indicators



Performance Indicators



Appendix 1-SEC-6(viii)

1st Q 2018 Key Performance Indicators



KEY PERFORMANCE INDICATORS

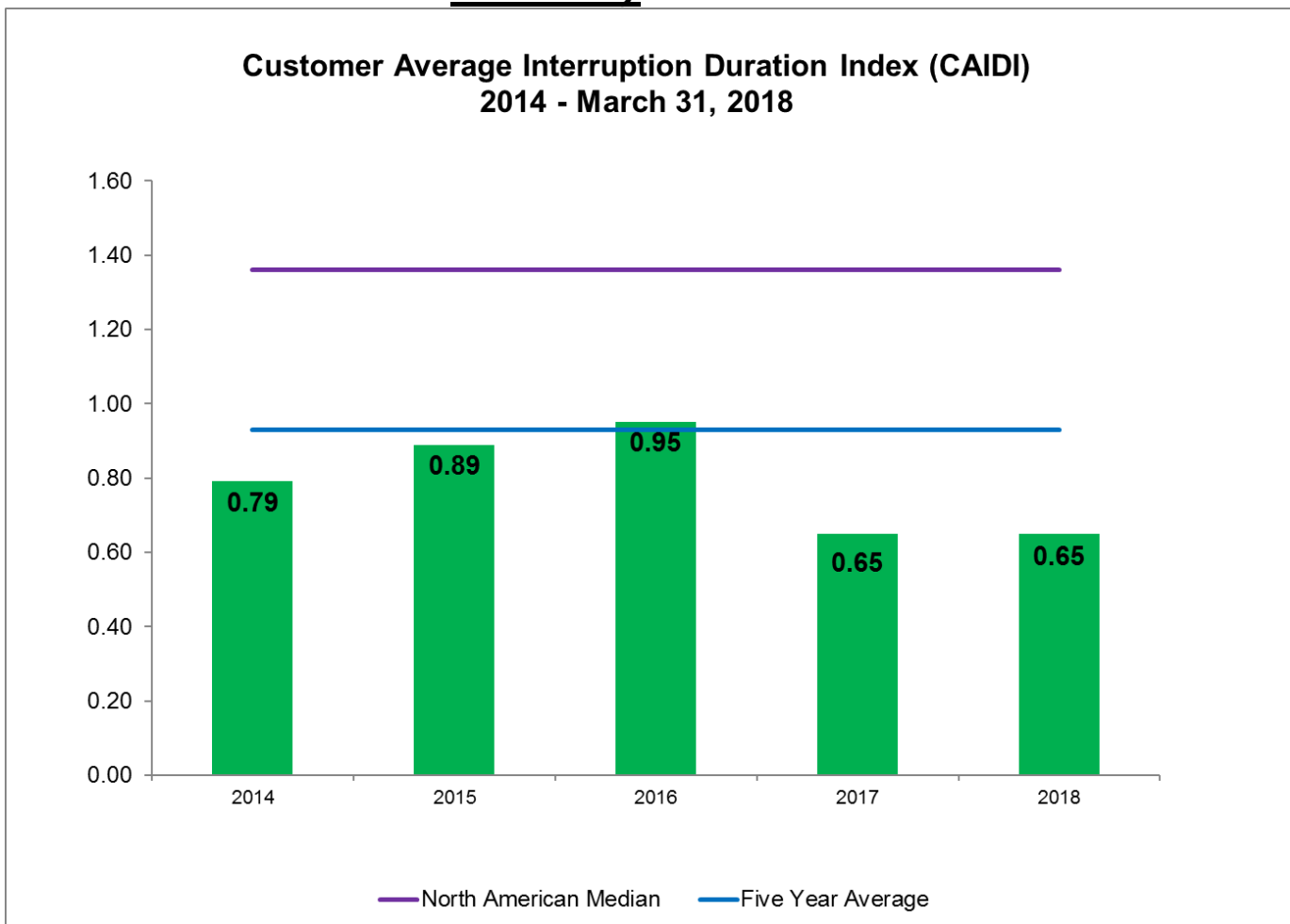
1st Quarter 2018



we deliver.



Reliability



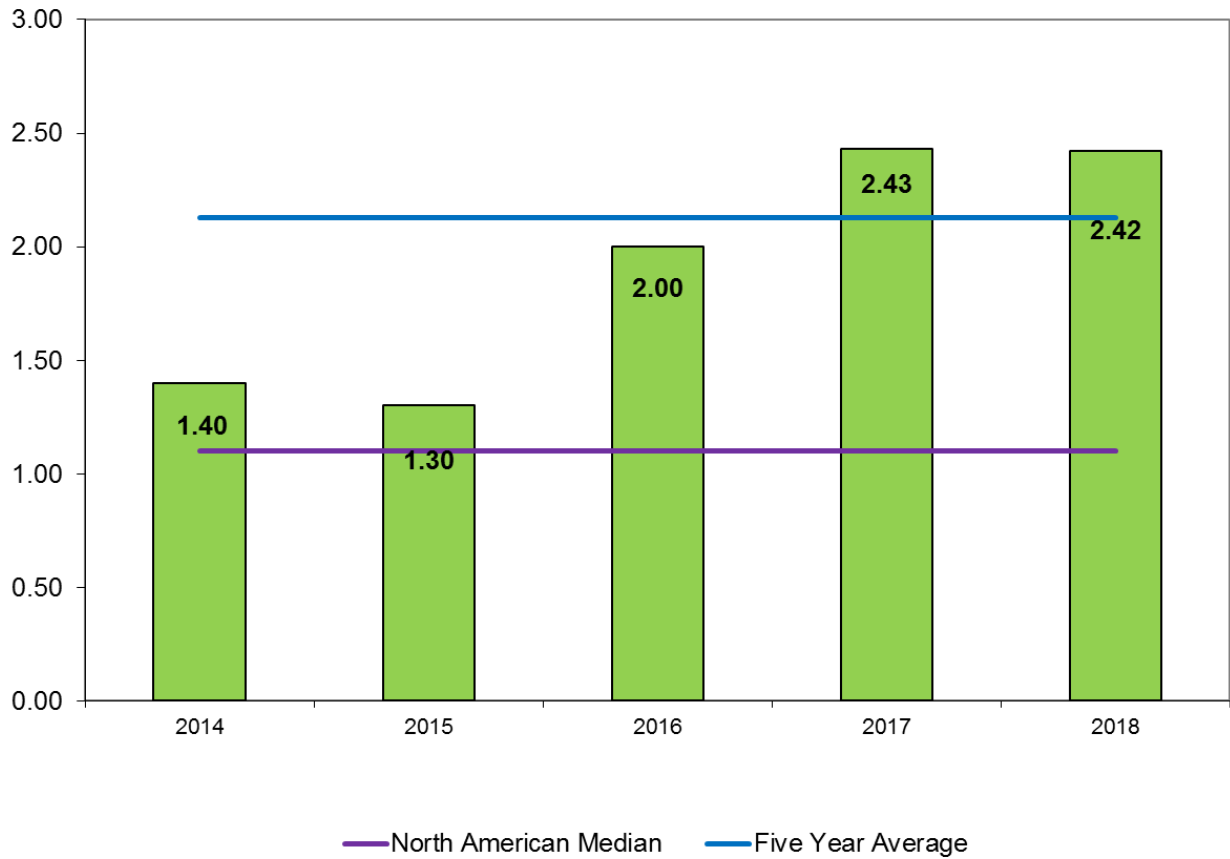
Customer Average Interruption Duration Index (CAIDI)

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CAIDI can also be viewed as the average restoration time. According to IEEE

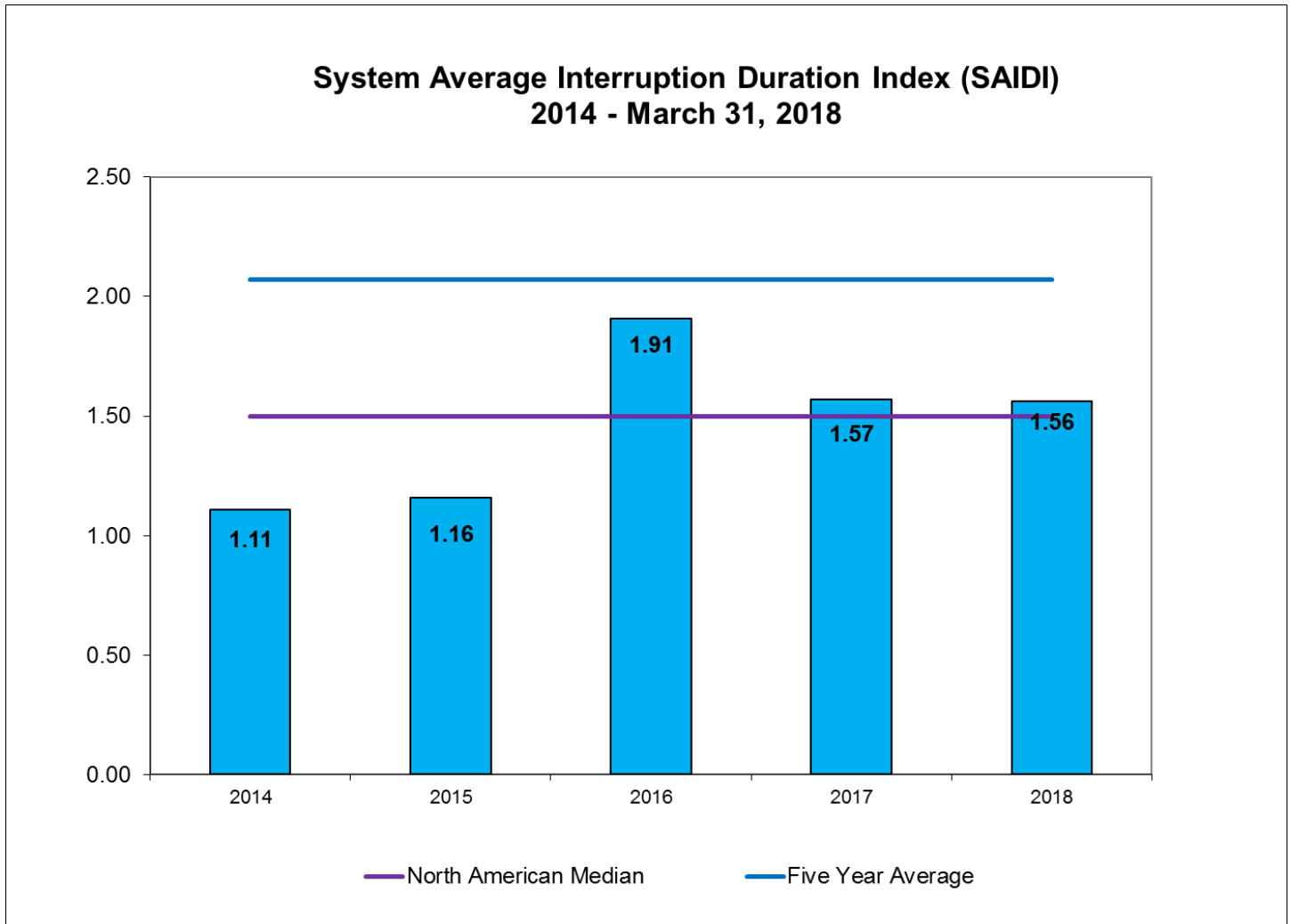
Standard 1366 the median value for North American utilities is approximately 1.36 hours.

System Average Interruption Frequency Index (SAIFI) 2014 - March 31, 2018



System Average Interruption Frequency Index (SAIFI)

SAIFI is the average number of interruptions that a customer experiences. SAIFI is measured in units of interruptions per customer. It is usually measured over the course of a year, and according to IEEE Standard 1366, the median value for North American utilities is approximately 1.10 interruptions per customer.

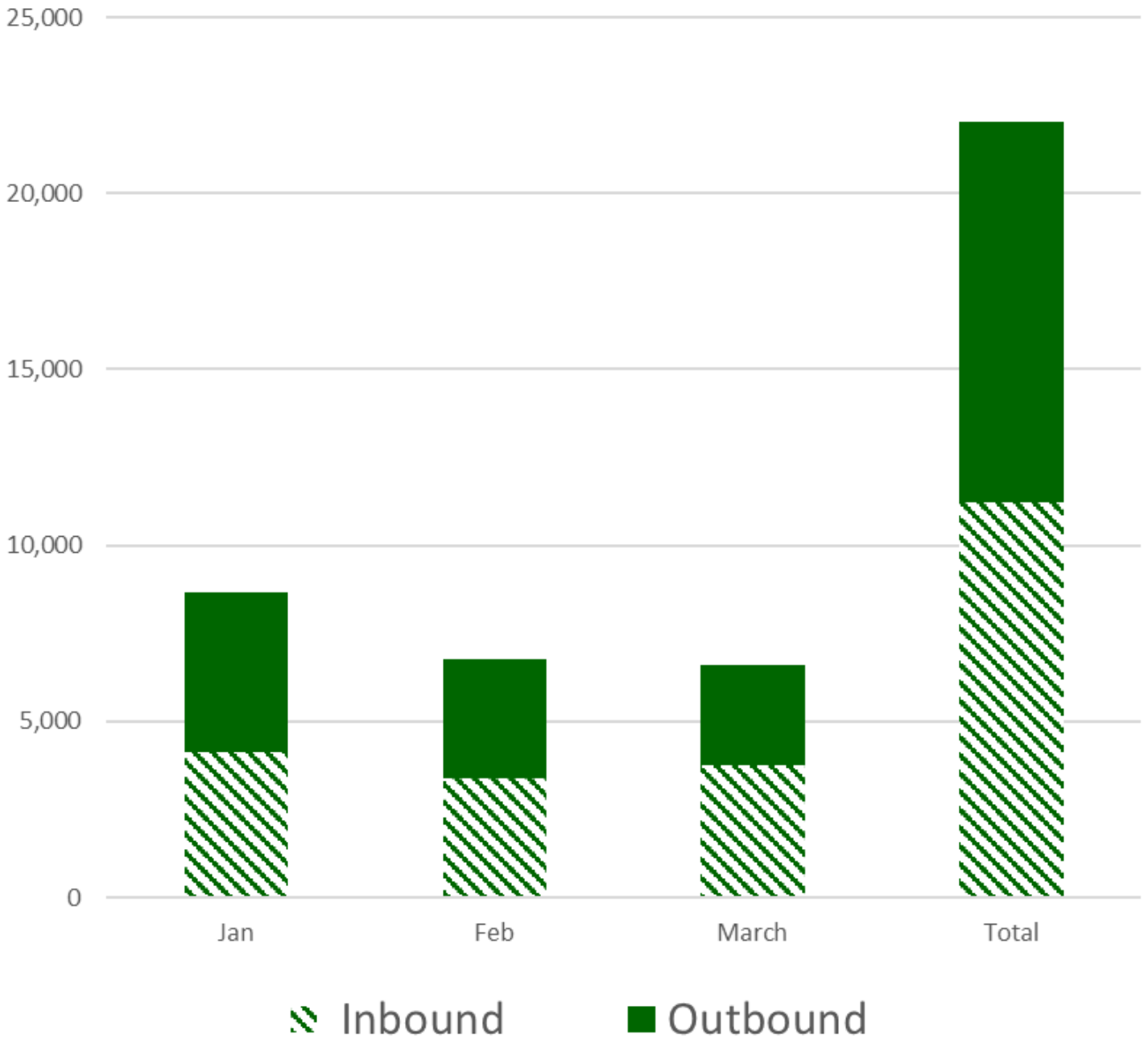


System Average Interruption Duration Index (SAIDI)

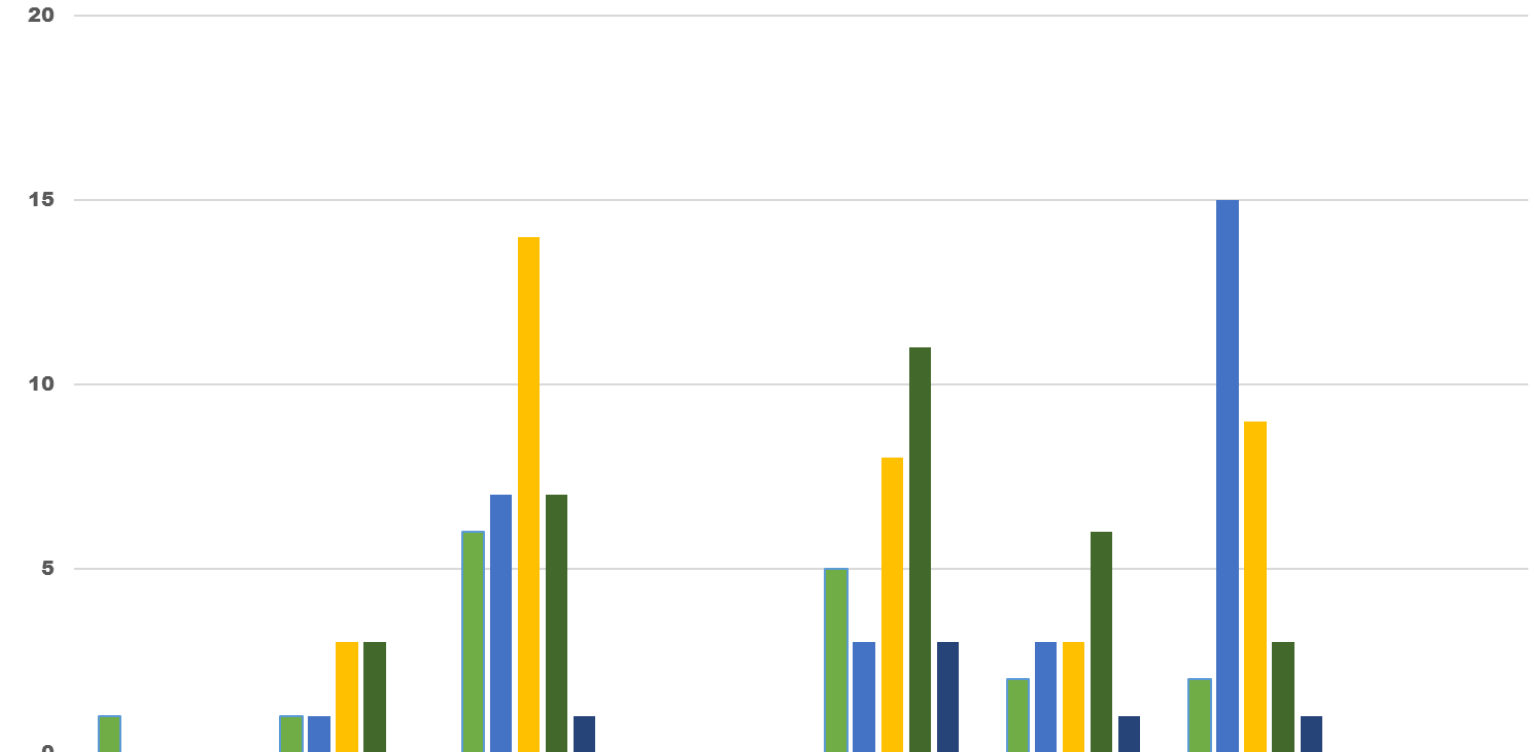
SAIDI is the average outage duration for each customer served. SAIDI is measured in units of time, often minutes or hours. It is usually measured over the course of a year, and according to IEEE Standard 1366, the median value for North American utilities is approximately 1.50 hours.

The 2016 reliability figures have been impacted significantly by the March ice storm. Customers in Cambridge, North Dumfries and Brant experienced outages due to the heavy ice accumulations on lines and trees which was made worse by strong winds. All of Paris was without power overnight.

1st Q 2018 Call Volume

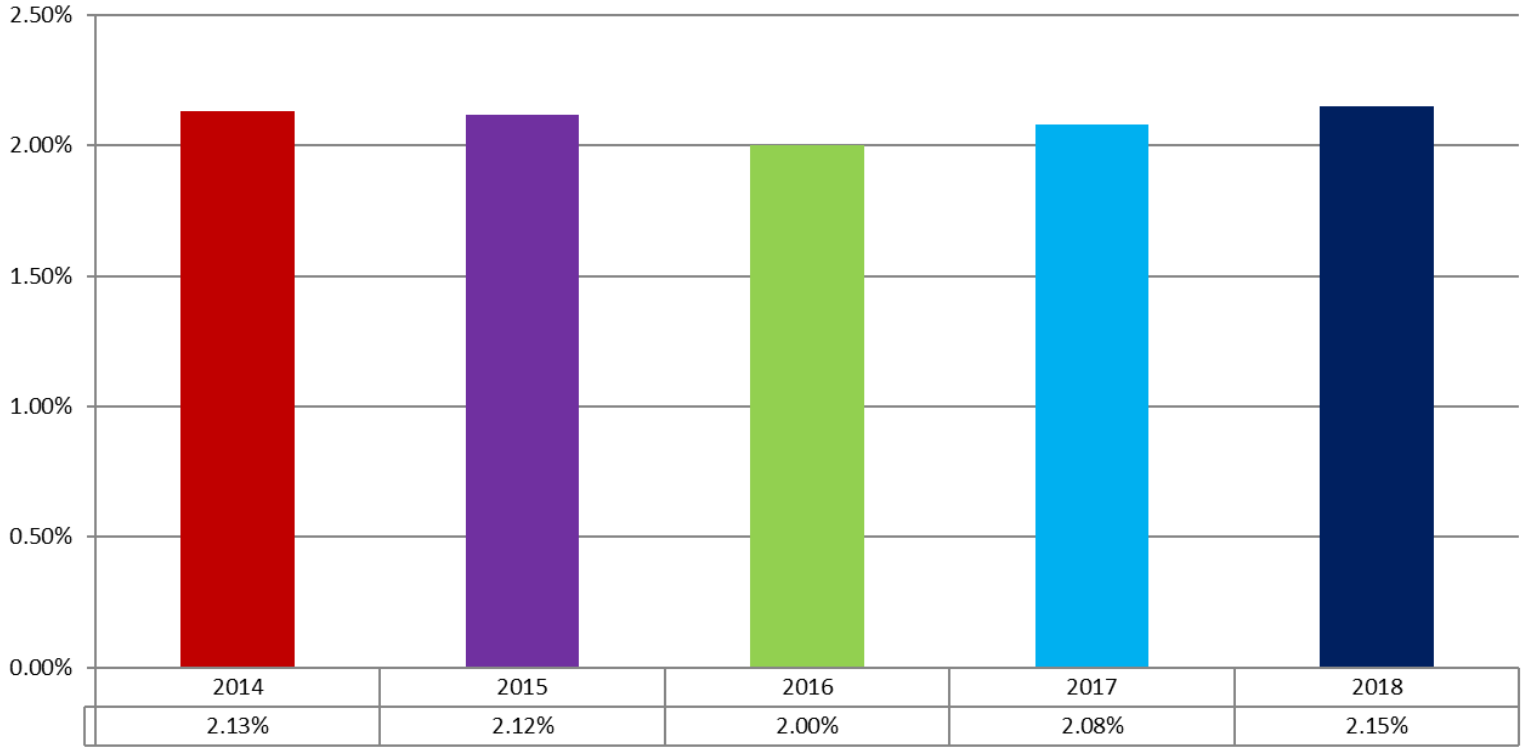


Accidents/Incidents 2014 - March 31, 2018

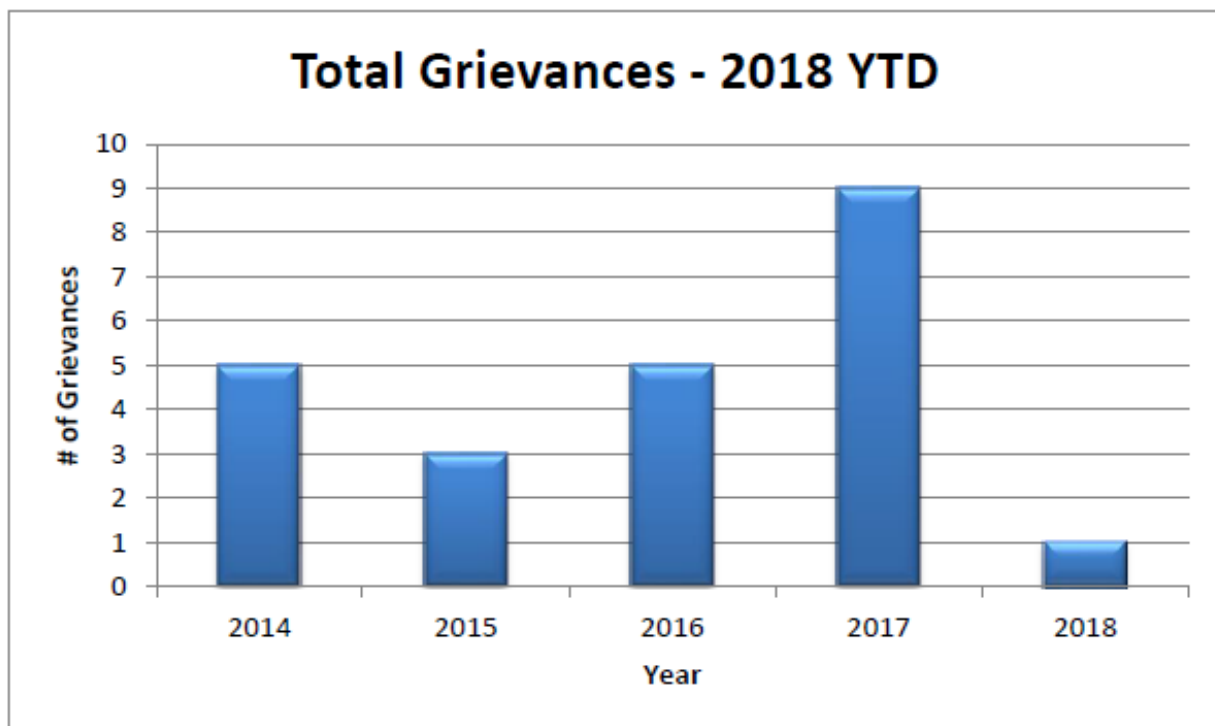
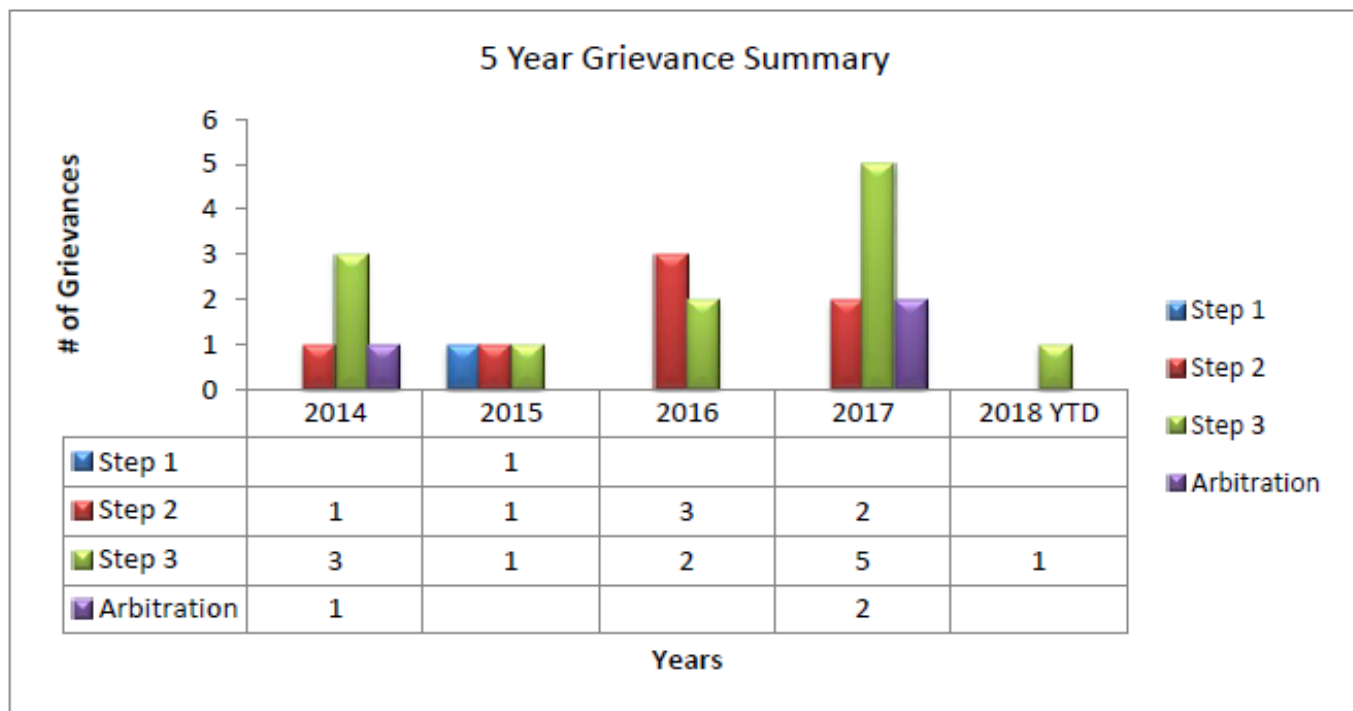


	RSI/MSI	Slip/Trip	Personal Injury	Metering Hazards	Motor Vehicle	Electrical Incident	Property Damage	Total YTD
■ 2014	1	1	6	0	5	2	2	17
■ 2015	0	1	7	0	3	3	15	29
■ 2016	0	3	14	0	8	3	9	37
■ 2017	0	3	7	0	11	6	3	30
■ 2018	0	0	1	0	3	1	1	6

Absenteeism Rate 2014 - 2018



Grievance History Charts



Energy+ Demographics / Statistics

	Management	Non-Union (Non-Mgmt)	Inside Union	Outside Union	Totals
Baby Boomers 1943 – 1960	9	0	5	6	20
Generation x 1961 – 1980	16	4	30	24	74
Millennials Gen Y 1981– 2000	2	3	8	22	35
Generation Z 2001 - to date	0	0	0	0	0
Totals	27	7	43	52	129

Workforce

	Total	Ave Age	Ave Service
Management	27	53	15
Non-Union (Non-Mgmt)	7	43	7
Inside Union	43	47	13
Outside Union	52	42	15

Turnover

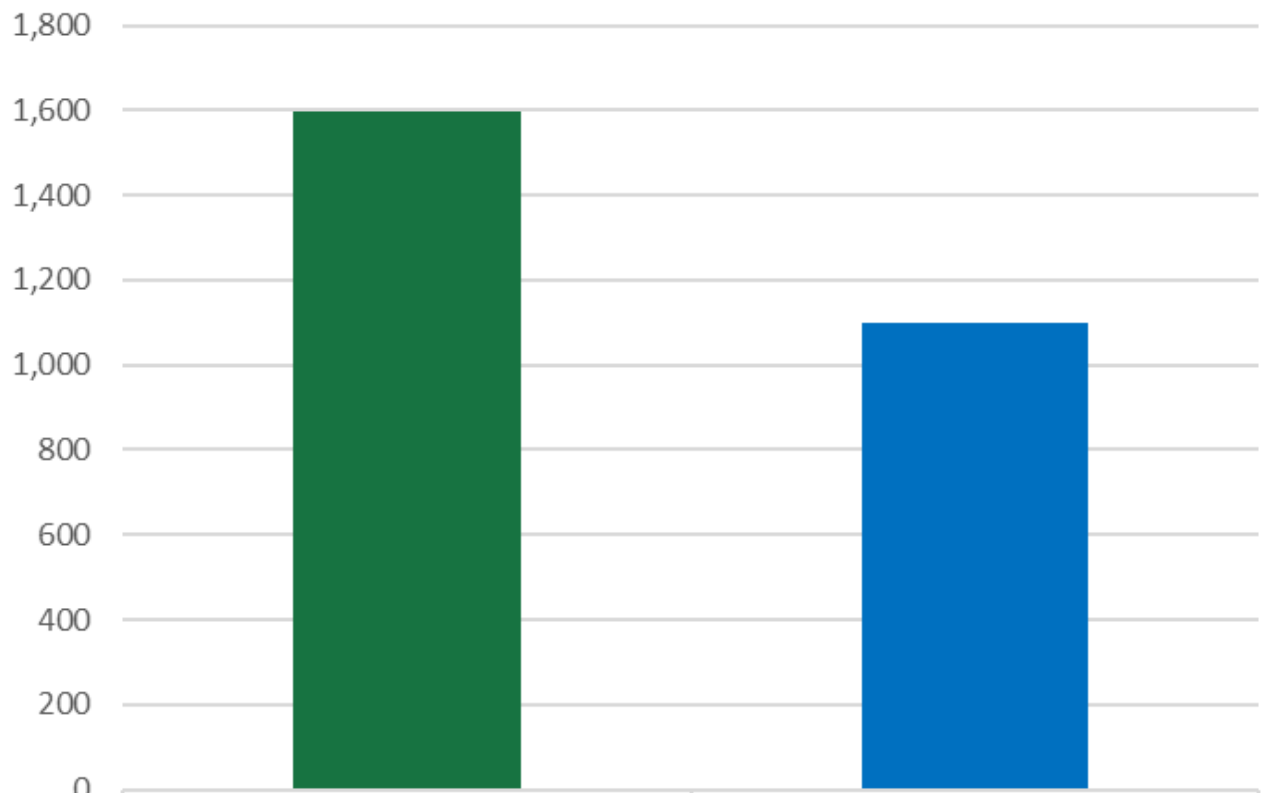
	Hires	Terminations	Other (Leave)	Resignations	Retired	Total Employees	Turnover Ratio
2013	22	1	1	2	2	111	.05
2014	12	6	1	3	0	113	.08
2015	38	1	3	9	3	135	.12
2016	8	3	1	6	3	130	.10
2017	15	4	0	3	6	132	.09
2018 YTD	4	2	0	4	1	129	.03

Retirement Projections based on OMERS

	Retirement Forecast
2017	6 (Actual)
2018	1 (Actual)
2018	15
2019	0
2020	4
2021	2

Projected Service – this is the credited and eligible service projected annually
 Retirement Date – the Retirement date is the date the member becomes eligible to retire with an unreduced Pension.

Net Income 1st Q 2018 Actual vs. Budget 000's



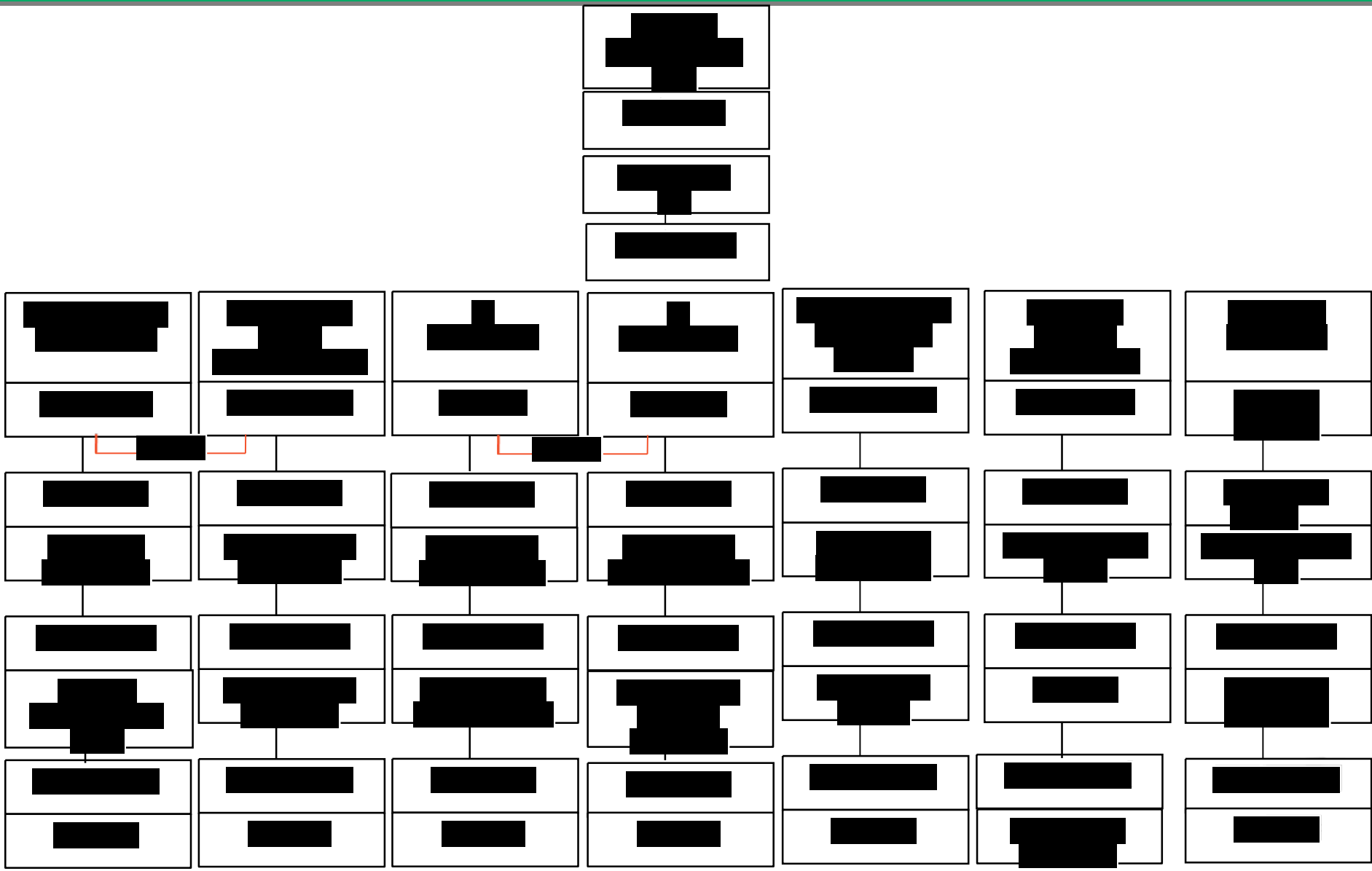
	Actual	Budget
Net Income 1st Q 2018	\$1,598	\$1,097

Appendix 1-SEC-13c)

Succession Plan - Redacted

CRITICAL ORGANIZATION CHART

SEPTEMBER 2017



SUCCESSION PLAN 2017 NOTES PAGE

- This chart provides a risk profile of the organization, relative to where we would need to go externally to hire over the next three years



- The way we are currently structured, there is a substantive leadership and development gap between supervisory and executive level reports



- Important to note, the Succession Program will be reviewed annually, allowing opportunity to advance the reasonable timeline to proficiency for current candidates and identify new potential candidates into the program

Appendix 2-SEC-27b)

Facilities Business Plan



APPROVAL TO ENTER INTO REAL ESTATE TRANSACTIONS – ADMINISTRATIVE OFFICE (CAMBRIDGE) AND OPERATIONS FACILITY (BRANTFORD)

CONFIDENTIAL REPORT TO BOARD OF DIRECTORS



ADMINISTRATIVE OFFICE SPACE – GASLIGHT DISTRICT

RENDERING OF GASLIGHT DISTRICT



PURCHASE & SALE AGREEMENT – KEY TERMS

- Energy+ commits to start renovations within 12 months of the closing date (anticipated to be March 2018).
- Energy+ commits to entering into a contract with Melloul-Blamey Construction Inc. to undertake the renovation work.
 - Overall construction estimate: \$4.5 million (Energy+ budget \$5.0M)
 - Pre-construction fees \$10K / month (4-6 months)
 - Construction management fees \$32.5K / month (8 – 12 months)
 - All sub-trades and materials to be tendered out – open book contract
- Energy+ commits to occupy the property within 18 months after the start of renovations.
- If the parking structure is not complete within 18 months after the start of renovations, Energy+ can sell the property back to HIP and recover any costs incurred to date on the renovations.

PURCHASE & SALE AGREEMENT – KEY TERMS

- If Energy+ decides to sell the property any time within 20 years of the closing date, HIP has a right of first refusal to purchase on the same terms as a third-party offer.

Purchase and Sale Agreement has been reviewed and negotiated with the assistance of Miller Thompson (John Griggs, Waterloo office).

FINANCIAL AND RATE IMPACT PARAMETERS

➤ Estimated rate impact of \$0.68 per customer per month based on revenue requirement

Rate Base:	
Incremental OM&A	\$ 199,736
Working Capital	7.50%
W/C Allowance	\$ 14,980.22
Capital Expenditures	\$ 4,500,000
W/C Allowance	\$ 14,980
Rate Base	\$ 4,514,980
Deemed Capital Structure	
Debt @ 80%	\$ 3,611,984
Equity @ 20%	\$ 902,996
	\$ 4,514,980

Revenue Requirement:	
Allowable ROE	\$ 79,283
PILs	\$ 11,012
Pre-tax Income	\$ 90,295
<i>Allowable Expenses</i>	
Interest (Deemed)	\$ 152,426
OM&A	\$ 199,736
Depreciation	\$ 84,000
Total Allowable Expenses	\$ 436,162
Total Distribution Revenue Requirement	\$ 526,457

- Operating expenditures consistent of employee parking and estimated building maintenance costs
- Capital expenditures and Depreciation:

	Estimated Capital Costs	Useful Life	Annual Dep'n
Land	\$ 1		
Building			
Structure	\$ 3,600,000	75	\$ 48,000
Roofing	\$ 280,000	25	\$ 11,200
Mechanical	\$ 620,000	25	\$ 24,800
	\$ 4,500,001	54	\$ 84,000

Number of Customers	64,123
Annual Revenue Per Customer	\$ 8.21
Monthly Revenue Required per Customer	\$ 0.68



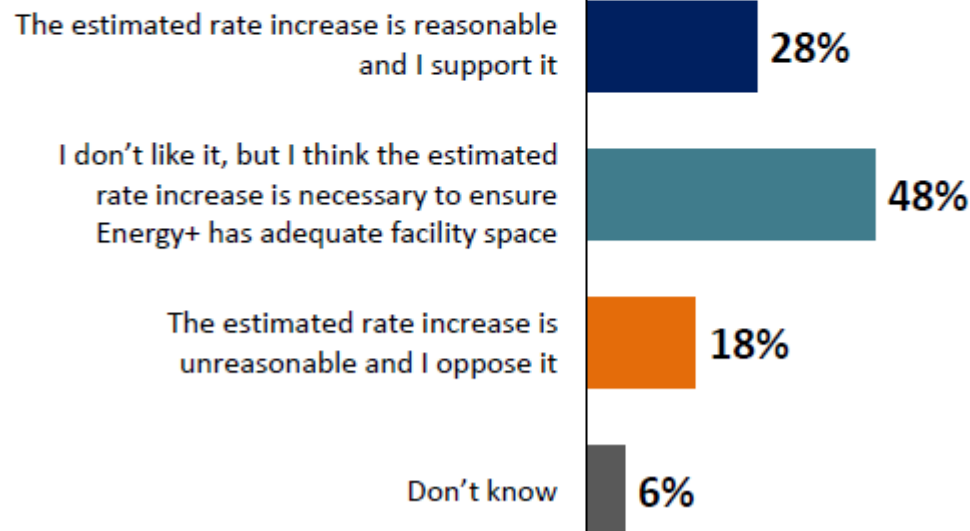
RESULTS OF CUSTOMER ENGAGEMENT SURVEY RE FACILITIES

Facility Upgrades



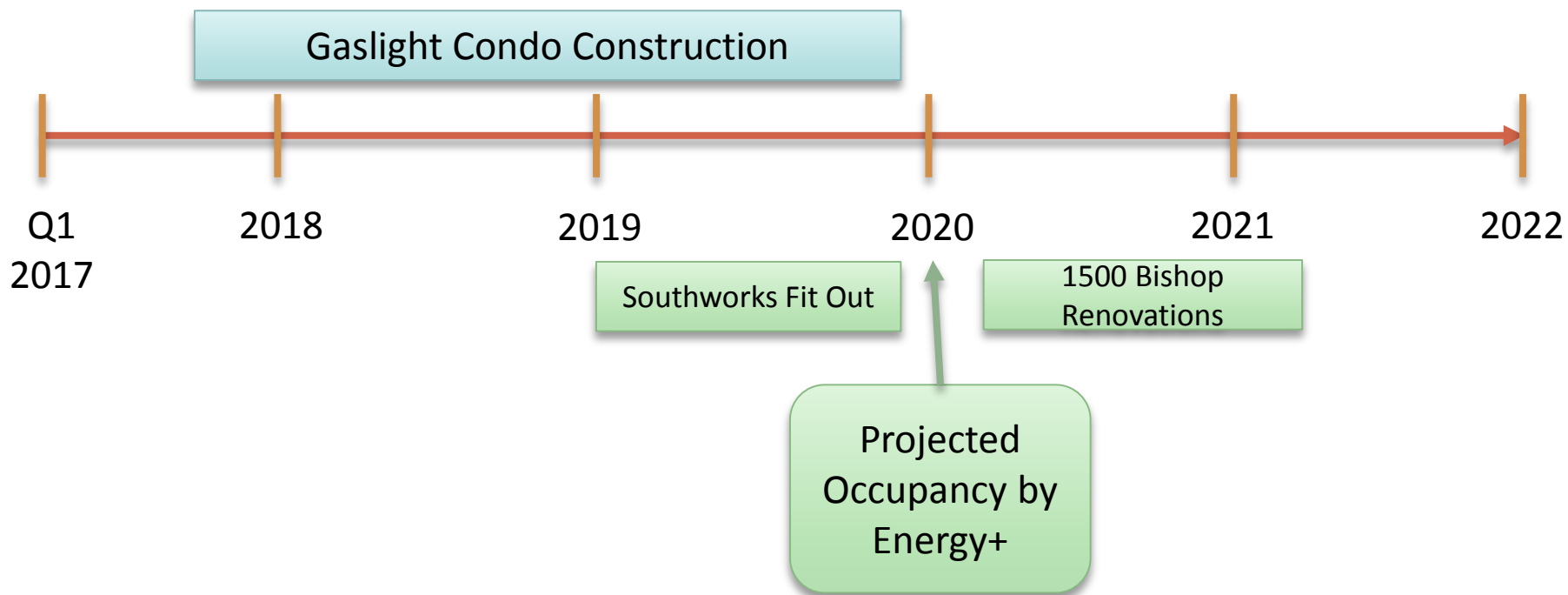
As a company Energy+ needs facilities to house its staff and equipment in locations that optimize customer service delivery. It is estimated that the new facilities move may cost the average residential customer an additional \$0.68 per month on their bill starting in 2019. With this in mind, which of the following statements best represents your point of view?

[asked of all respondents, n=796]



Small Business: Reasonable and support (n=8), Don't like but necessary (n=10), Unreasonable and oppose (n=6), DK (n=1).

HIGH LEVEL TIMELINE

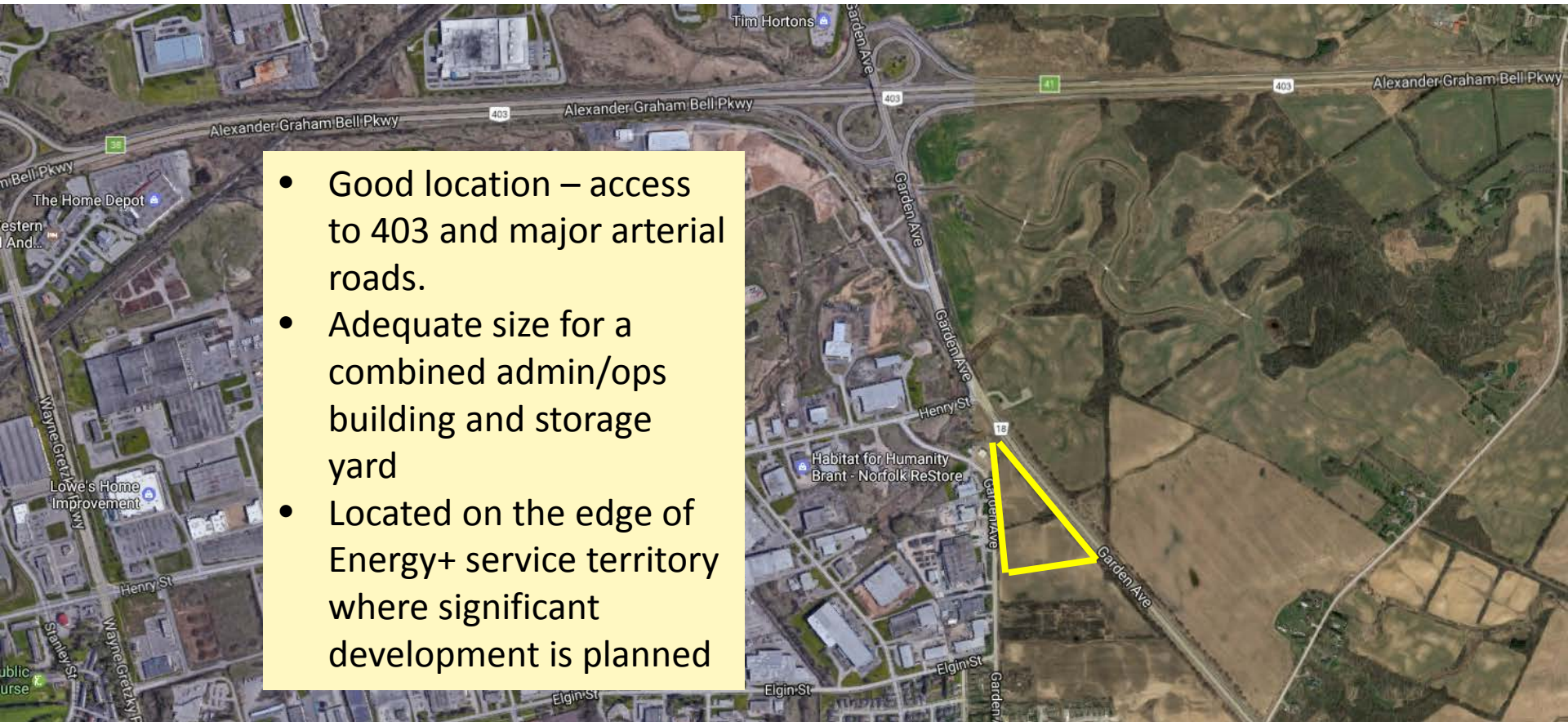




BRANT COUNTY OPERATIONS FACILITY - OPPORTUNITY TO
SHARE SPACE IN A NEW FACILITY WITH BRANTFORD POWER

BRANTFORD POWER SITE – GARDEN AVE & 403

- Good location – access to 403 and major arterial roads.
- Adequate size for a combined admin/ops building and storage yard
- Located on the edge of Energy+ service territory where significant development is planned



LETTER OF AGREEMENT WITH BRANTFORD POWER

- A Letter of Agreement between Energy+ and BP to commit to the joint facility has been negotiated and is ready for execution.
- Key elements of the agreement are as follows:
 - BP will proceed to design and build a 57,000 s.f. facility with input from Energy+
 - Energy+ will commit to lease approximately 13,255 s.f. of administrative and garage space for its exclusive use for 20 years
 - Energy+ and BP will share approximate 8,000 s.f. of indoor storage space for inventory
 - Energy+ and BP will share approximately 225,000 s.f. of outdoor storage space
 - Energy+ and BP will enter into a shared services agreement for the following functions
 - Purchasing / logistics / inventory management
 - Mechanic
 - Fuel tanks

LETTER OF AGREEMENT WITH BRANTFORD POWER

- Key elements of the agreement continued:
 - Lease rate to be calculated using OEB formulas to provide BP a regulated rate of return on its capital investment in the facility (applied to the Energy+ portion).
 - Energy+ has the right to terminate the agreement before the building is completed should there arise significant delays or costs higher than anticipated. However – is obligated to make BP whole for engineering, design, and other pre-construction costs incurred by BP that would have to be modified if Energy+ pulls out. This is estimated to grow from \$70,000 in November to \$635,000 by April of 2018 when construction begins.
 - Energy+ will make a \$100,000 deposit to BP upon signing the Letter of Agreement.

FINANCIAL ASSUMPTIONS

- BP has utilized a competitive RFP process to select project management and engineering design consultants for the project.
- BP will continue to utilize an RFP process for the construction phase of the facility.
- At this stage, the lease rates and the resulting impact to Energy+ are based on high level cost per square foot estimates from the design consultant as follows:
 - Indoor garage space \$17.69
 - Administrative office space \$25.24
 - Shared indoor inventory space \$20.00

FINANCIAL AND RATE IMPACT PARAMETERS

➤ Estimated rate impact of \$0.44 per customer per month based on revenue requirement

Rate Base:	
Incremental OM&A	\$ 83,795
Working Capital	7.50%
W/C Allowance	\$ 6,284.63
Net Capital Expenditures	\$ 3,913,217
W/C Allowance	\$ 6,285
Rate Base	<u>\$ 3,919,501</u>
Deemed Capital Structure	
Debt @ 80%	\$ 3,135,601
Equity @ 20%	\$ 783,900
	<u>\$ 3,919,501</u>

Revenue Requirement:	
Allowable ROE	\$ 68,826
PILs	\$ 9,559
Pre-tax Income	<u>\$ 78,386</u>
<i>Allowable Expenses</i>	
Interest (Deemed)	\$ 132,322
OM&A	\$ 83,795
Depreciation	\$ 43,581
Total Allowable Expenses	<u>\$ 259,698</u>
Total Distribution Revenue Requirement	<u>\$ 338,084</u>

• Operating expenditures include:

E+ Shared Facilities	Annual
Shared Space Operating Lease Costs	\$ 156,000
Shared Mechanic	\$ 40,000
Operating costs for Exclusive Space	\$ 24,795
	<u>\$ 220,795</u>
Less: Existing Paris Office Costs	(137,000)
Incremental Operating Costs	<u>\$ 83,795</u>

• Capital expenditures and Depreciation:

	Estimated Net		Useful Life	Annual Dep'n
Land	\$ -			
Building - Exclusive Space	\$ 4,300,000	60		\$ 71,667
	<u>\$ 4,300,000</u>			<u>\$ 71,667</u>
Less: Regulatory NBV of Existing Land/Building	(386,783)			(28,086)
	<u>\$ 3,913,217</u>			<u>\$ 43,581</u>

Number of Customers	64,123
Annual Revenue Per Customer	\$ 5.27
Monthly Revenue Required per Customer	\$ 0.44



FINANCIAL AND RATE IMPACT PARAMETERS

- Gain on sale of existing Paris location to be shared with customers

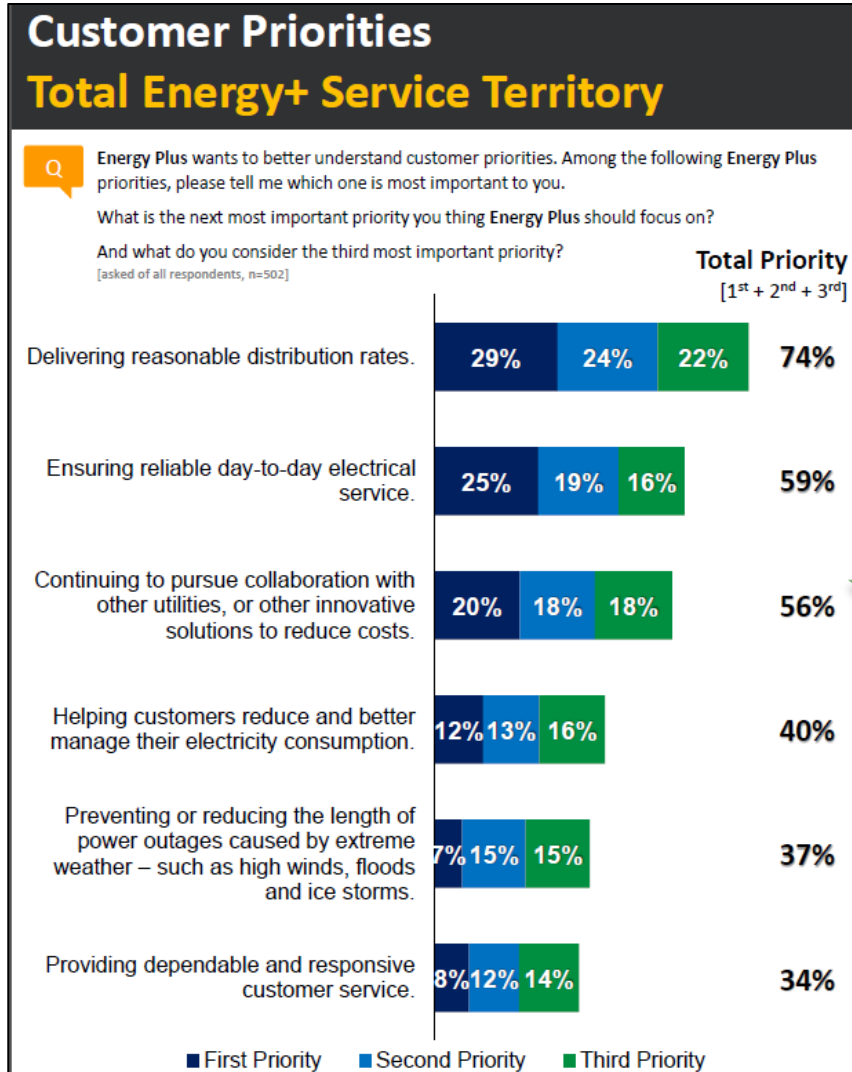
	Estimated Gain – Regulatory NBV	Estimated Gain – Energy+ NBV*
Sale Price	\$1,500,000	\$1,500,000
Less: Legal (est.)	(25,000)	(25,000)
Net Proceeds	1,475,000	1,475,000
Net Book Value (Est. @ Dec. 31, 2017)	(386,783)	(875,828)
Gain on Sale	1,088,217	599,172
No. Customers	64,123	64,123
Per Customer @ 100% = 1 Year Disposition	\$16.97 \$1.41/Mth	\$9.34 \$0.78/Mth
Per Customer @ 50% = 1 Year Disposition	\$8.49 \$0.71/Mth	\$4.67 \$0.39/Mth

* E+ purchase price based on appraisal value at time of acquisition of BCP

- Building repair and maintenance costs will continue to rise over time on the existing building due to the age and state of the facility.



RESULTS OF CUSTOMER ENGAGEMENT SURVEY



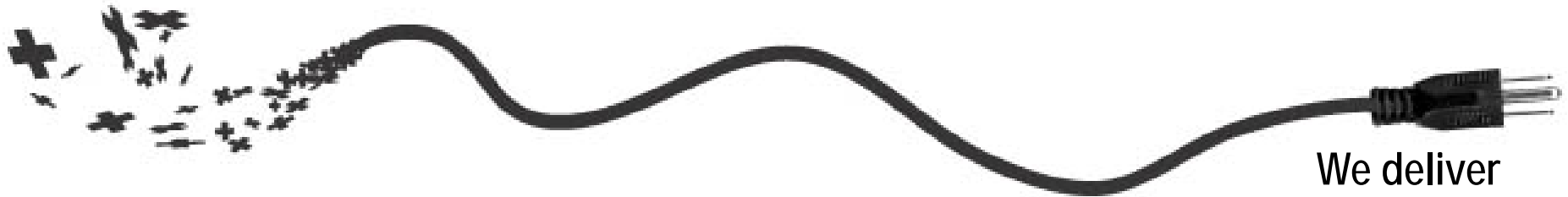
- Continuing to pursue collaboration with other utilities or other innovative solutions to reduce costs was ranked 3rd.
- Important to demonstrate that the costs are lower than otherwise would have been experienced by each utility in the absence of collaboration.



QUESTIONS AND ANSWERS

Thank you!

Questions and Answers



We deliver

Appendix 4-SEC-34e)

Appendix 2JA; Appendix 2JB; Appendix 2JC
Adjusted for 2019 Cost of Service Costs

Response to 4-SEC-34 (d) - Remove the Portion of \$850,000 in Cost of Service Costs from Historic or Bridge Year

Date: 14-Sep-18

Appendix 2-JA
Summary of Recoverable OM&A Expenses
Consolidated Former CND and BCP (2014-2015) and Energy+ Inc. (2016-2019)

	Last Rebasings Year (2014 Board-Approved Proxy)	Last Rebasings Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals Adjusted	2018 Bridge Adjusted	2019 Test Year
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$ 3,228,515	\$ 2,738,607	\$ 2,880,615	\$ 2,934,425	\$ 3,204,993	\$ 3,240,629	\$ 3,289,039
Maintenance	\$ 2,661,929	\$ 3,118,876	\$ 2,755,290	\$ 2,671,173	\$ 2,541,688	\$ 2,674,678	\$ 2,641,602
SubTotal	\$ 5,890,444	\$ 5,857,483	\$ 5,635,905	\$ 5,605,598	\$ 5,746,681	\$ 5,915,308	\$ 5,930,641
%Change (year over year)			(4.3%)	(0.5%)	2.5%	2.9%	0.3%
%Change (Test Year vs Last Rebasings Year - Actual)							1.2%
Billing and Collecting	\$ 3,730,609	\$ 3,477,666	\$ 3,330,327	\$ 3,548,298	\$ 3,084,314	\$ 3,372,867	\$ 3,945,340
Community Relations	\$ 333,707	\$ 256,788	\$ 117,727	\$ 97,839	\$ 97,712	\$ 93,555	\$ 98,215
Administrative and General	\$ 8,456,671	\$ 8,765,568	\$ 8,309,038	\$ 7,905,340	\$ 8,064,761	\$ 7,998,696	\$ 8,601,452
SubTotal	\$ 12,500,987	\$ 12,500,022	\$ 11,757,092	\$ 11,551,476	\$ 11,246,786	\$ 11,465,117	\$ 12,645,007
%Change (year over year)			(6.1%)	(1.7%)	-2.6%	1.9%	10.3%
%Change (Test Year vs Last Rebasings Year - Actual)							1.2%
Total	\$ 18,411,431	\$ 18,357,504	\$ 17,392,997	\$ 17,157,075	\$ 16,993,468	\$ 17,380,425	\$ 18,575,648
%Change (year over year)			(5.5%)	(6.5%)	-1.0%	2.3%	6.9%

	Last Rebasings Year (2014 Board-Approved Proxy)	Last Rebasings Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals Adjusted	2018 Bridge Adjusted	2019 Test Year
Operations	\$ 3,228,515	\$ 2,738,607	\$ 2,880,615	\$ 2,934,425	\$ 3,204,993	\$ 3,240,629	\$ 3,289,039
Maintenance	\$ 2,661,929	\$ 3,118,876	\$ 2,755,290	\$ 2,671,173	\$ 2,541,688	\$ 2,674,678	\$ 2,641,602
Billing and Collecting	\$ 3,730,609	\$ 3,477,666	\$ 3,330,327	\$ 3,548,298	\$ 3,084,314	\$ 3,372,867	\$ 3,945,340
Community Relations	\$ 333,707	\$ 256,788	\$ 117,727	\$ 97,839	\$ 97,712	\$ 93,555	\$ 98,215
Administrative and General	\$ 8,456,671	\$ 8,765,568	\$ 8,309,038	\$ 7,905,340	\$ 8,064,761	\$ 7,998,696	\$ 8,601,452
Total	\$ 18,411,431	\$ 18,357,504	\$ 17,392,997	\$ 17,157,075	\$ 16,993,468	\$ 17,380,425	\$ 18,575,648
%Change (year over year)			(5.5%)	(1.4%)	-1.0%	2.3%	6.9%

	Last Rebasings Year (2014 Board-Approved Proxy)	Last Rebasings Year (2014 Actuals)	Variance 2014 Board-approved - 2014 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Actuals	Variance 2016 Actuals vs. 2015 Actuals	2017 Actuals Adjusted	Variance 2017 Actuals vs. 2016 Actuals	2018 Bridge Adjusted	Variance 2018 Bridge vs. 2017 Actuals	2019 Test Year	Variance 2019 Test vs. 2018 Bridge
Operations	\$ 3,228,515	\$ 2,738,607	\$ 489,908	\$ 2,880,615	\$ (347,900)	\$ 2,934,425	\$ 53,810	\$ 3,204,993	\$ 270,568	\$ 3,240,629	\$ 35,636	\$ 3,289,039	\$ 48,410
Maintenance	\$ 2,661,929	\$ 3,118,876	\$ (456,947)	\$ 2,755,290	\$ 93,360	\$ 2,671,173	\$ (84,116)	\$ 2,541,688	\$ (129,485)	\$ 2,674,678	\$ 132,990	\$ 2,641,602	\$ (33,076)
Billing and Collecting	\$ 3,730,609	\$ 3,477,666	\$ 252,943	\$ 3,330,327	\$ (400,282)	\$ 3,548,298	\$ 217,971	\$ 3,084,314	\$ (463,984)	\$ 3,372,867	\$ 288,553	\$ 3,945,340	\$ 572,473
Community Relations	\$ 333,707	\$ 256,788	\$ 76,919	\$ 117,727	\$ (215,980)	\$ 97,839	\$ (19,889)	\$ 97,712	\$ (127)	\$ 93,555	\$ (4,157)	\$ 98,215	\$ 4,660
Administrative and General	\$ 8,456,671	\$ 8,765,568	\$ (308,897)	\$ 8,309,038	\$ (147,633)	\$ 7,905,340	\$ (403,698)	\$ 8,064,761	\$ 159,421	\$ 7,998,696	\$ (66,065)	\$ 8,601,452	\$ 602,757
Total OM&A Expenses	\$ 18,411,431	\$ 18,357,504	\$ 53,927	\$ 17,392,997	\$ (1,018,435)	\$ 17,157,075	\$ (235,922)	\$ 16,993,468	\$ (163,607)	\$ 17,380,425	\$ 386,957	\$ 18,575,648	\$ 1,195,223
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)													
Total Recoverable OM&A Expenses	\$ 18,411,431	\$ 18,357,504	\$ 53,927	\$ 17,392,997	\$ (1,018,435)	\$ 17,157,075	\$ (235,922)	\$ 16,993,468	\$ 163,607	\$ 17,380,425	\$ 386,957	\$ 18,575,648	\$ 1,195,223
Variance from previous year				\$ (964,508)		\$ (235,922)		\$ 163,607		\$ 386,957		\$ 1,195,223	
Percent change (year over year)				(5.3%)		(1.3%)		-1%		2.3%		7%	
Percent Change: Test year vs. Most Current Actual								9.31%					
Simple average of % variance for all years								1.19%					0.3%
Compound Annual Growth Rate for all years													0.2%
Compound Growth Rate (2017 Actuals Adjusted vs. 2014 Actuals)								(2.54%)					

Response to 4-SEC-34 (d) - Remove the Portion of \$850,000 in Cost of Service Costs from Historic or Bridge Year

Appendix 2-JB
Recoverable OM&A Cost Driver Table^{1,3}
Consolidated Former CNL and BCP (2014-2015) and Energy+ Inc. (2016-2019)

OM&A	Last Rebasing Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actual Adjusted	2018 Bridge Year Adjusted	2019 Test Year
	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Reporting Basis						
Opening Balance²	\$ 18,411,431	\$ 18,357,504	\$ 17,392,997	\$ 17,157,075	\$ 16,993,468	\$ 17,380,425
Integration Costs		\$ 255,000	\$ (255,000)			
Operating Synergies - Acquisition		\$ (427,000)	\$ (546,000)	\$ (224,000)		
Asset Management Review/Asset Condition Assessment			\$ 171,000	\$ (76,000)		
Cost of Service Application Costs		\$ (308,000)				\$ 170,199
Bad Debt Write-Offs		\$ (218,957)	\$ 234,858	\$ (328,456)	\$ 49,527	
Incremental Monthly Billing Costs (Deferral Account prior to 2019)						\$ 390,000
Transition to 24/7 Control Room (Load Dispatching)		\$ 83,000	\$ (50,489)	\$ 25,934	\$ 110,000	
Shared Services with Brantford Power Inc.						\$ 195,000
Increase in OEB Fees (Deferral Account prior to 2019)						\$ 97,000
Impact of Vacant Positions - Timing	\$ (272,000)	-\$ 110,000	\$ 25,000			
Organizational Capacity - Increase/ (Decrease)			\$ (120,000)	\$ 134,000	\$ (119,000)	\$ (52,000)
Merit/Collective Agreement Increases		\$ 240,904	\$ 232,596	\$ 239,264	\$ 241,000	\$ 255,000
Space/Facilities studies	\$ 100,000	\$ 30,000	\$ (36,000)	\$ (64,000)	\$ -	\$ -
Organizational Analysis (Succession Planning/Culture Survey/Structure)	\$ 92,000	\$ (92,000)				
Distribution Maintenance Costs - (Increase)/Decrease - Increased Allocation to Capital Projects		\$ (475,000)				
Tree trimming		\$ 111,095				
Information Systems Technology (Licenses/Cyber Security)			\$ 90,000	\$ 129,000		
Other	\$ 26,073	\$ (53,549)	\$ 18,113	\$ 651	\$ 105,430	\$ 140,024
Closing Balance²	\$ 18,357,504	\$ 17,392,997	\$ 17,157,075	\$ 16,993,468	\$ 17,380,425	\$ 18,575,648

OM&A As Filed, Updated for 2017 Actuals	\$ 18,357,504	\$ 17,392,997	\$ 17,157,075	\$ 17,439,463	\$ 17,595,425	\$ 18,575,648
Difference - Cost of Service Costs Incurred in Historical and Bridge Year.				-\$ 445,995	-\$ 215,000	

File Number: EB-2018-0028
Exhibit: 1
Tab:
Schedule:
Page:
Date: 14-Sep-18

Response to 4-SEC-34 (d) - Remove the Portion of \$850,000 in Cost of Service Costs from Historic or Bridge Year

**Appendix 2-JC
OM&A Programs Table**

Consolidated Former CND and BCP (2014-2015) and Energy+ Inc. (2016-2019)

Programs	Last Rebasings Year (2014 Board-Approved Proxy)	Last Rebasings Year (2014 Actuals)	2015 Actuals	2016 Actuals	2017 Actuals Adjusted	2018 Bridge Year Adjusted	2019 Test Year	Variance (Test Year vs. 2017 Actuals Adjusted)	Variance (Test Year vs. Last Rebasings Year (2014 Board-Approved Proxy))
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Transformer Station	330,112	363,446	287,146	241,474	182,605	267,315	271,653	89,048	(58,459)
Sub-Total	330,112	363,446	287,146	241,474	182,605	267,315	271,653	89,048	(58,459)
Distribution Stations	59,752	7,582	4,326	4,277	3,069	5,184	5,018	1,949	(54,734)
Sub-Total	59,752	7,582	4,326	4,277	3,069	5,184	5,018	1,949	(54,734)
Overhead Maintenance	2,111,103	2,096,386	1,786,839	1,702,975	1,580,029	1,558,640	1,467,337	(112,692)	(643,766)
Sub-Total	2,111,103	2,096,386	1,786,839	1,702,975	1,580,029	1,558,640	1,467,337	(112,692)	(643,766)
Tree Trimming Maintenance	480,744	389,414	500,509	509,894	504,333	529,073	539,030	34,697	58,286
Sub-Total	480,744	389,414	500,509	509,894	504,333	529,073	539,030	34,697	58,286
Load Dispatching	645,251	552,686	636,092	585,603	624,939	806,301	828,219	203,280	182,968
Sub-Total	645,251	552,686	636,092	585,603	624,939	806,301	828,219	203,280	182,968
Underground Maintenance	928,460	885,959	751,296	858,908	941,763	928,027	915,192	-26,571	(13,268)
Sub-Total	928,460	885,959	751,296	858,908	941,763	928,027	915,192	-26,571	(13,268)
Distribution Transformer Operation	167,063	132,232	123,467	101,972	89,105	89,773	88,207	(898)	(78,856)
Sub-Total	167,063	132,232	123,467	101,972	89,105	89,773	88,207	(898)	(78,856)
Maintenance Line TS	97,577	119,275	175,957	186,093	140,942	187,382	188,321	47,379	90,744
Sub-Total	97,577	119,275	175,957	186,093	140,942	187,382	188,321	47,379	90,744
Meter Expense	725,512	853,087	946,345	1,040,768	946,841	873,045	941,713	-5,128	216,201
Sub-Total	725,512	853,087	946,345	1,040,768	946,841	873,045	941,713	-5,128	216,201
Customer Premises	161,915	185,746	163,849	6,481	2,778	7,128	6,859	4,081	(155,056)
Sub-Total	161,915	185,746	163,849	6,481	2,778	7,128	6,859	4,081	(155,056)
Billing and Settlement	1,358,695	1,147,299	1,367,997	1,401,715	1,347,173	1,405,215	1,811,807	464,634	453,112
Sub-Total	1,358,695	1,147,299	1,367,997	1,401,715	1,347,173	1,405,215	1,811,807	464,634	453,112
Meter Reading Expenses	426,648	275,704	277,680	374,157	372,668	420,594	467,742	95,074	41,094
Sub-Total	426,648	275,704	277,680	374,157	372,668	420,594	467,742	95,074	41,094
Collecting	830,312	1,036,708	861,846	739,435	476,734	568,961	657,803	181,069	(172,509)
Sub-Total	830,312	1,036,708	861,846	739,435	476,734	568,961	657,803	181,069	(172,509)
Office and Building	855,828	738,255	628,004	524,572	517,404	529,133	730,977	213,573	(124,851)
Sub-Total	855,828	738,255	628,004	524,572	517,404	529,133	730,977	213,573	(124,851)
Customer Care	1,167,742	1,063,377	803,692	915,899	869,336	954,097	983,988	114,652	(183,754)
Sub-Total	1,167,742	1,063,377	803,692	915,899	869,336	954,097	983,988	114,652	(183,754)
General Administration	5,521,979	5,913,339	5,305,536	4,976,948	5,012,360	4,920,305	5,295,626	283,266	(226,353)
Sub-Total	5,521,979	5,913,339	5,305,536	4,976,948	5,012,360	4,920,305	5,295,626	283,266	(226,353)
Engineering Supervision	-	57,333	23,490	170,726	95,302	-	-	(95,302)	-
Sub-Total	-	57,333	23,490	170,726	95,302	-	-	(95,302)	-
Operation Supervision	182,955	214,338	236,587	196,428	634,976	663,440	678,773	43,797	495,818
Sub-Total	182,955	214,338	236,587	196,428	634,976	663,440	678,773	43,797	495,818
Human Resources and Training	195,063	275,064	188,809	220,728	238,005	284,834	275,378	37,373	80,315
Sub-Total	195,063	275,064	188,809	220,728	238,005	284,834	275,378	37,373	80,315
Safety and Health	295,598	256,884	180,780	198,273	312,431	298,036	289,337	-23,094	(6,261)
Sub-Total	295,598	256,884	180,780	198,273	312,431	298,036	289,337	-23,094	(6,261)
Accounting	544,255	539,893	557,031	788,590	697,191	707,826	724,446	27,255	180,191
Sub-Total	544,255	539,893	557,031	788,590	697,191	707,826	724,446	27,255	180,191
Information Systems	1,127,247	1,107,023	1,213,973	1,346,832	1,344,185	1,299,241	1,327,552	-16,633	200,305
Sub-Total	1,127,247	1,107,023	1,213,973	1,346,832	1,344,185	1,299,241	1,327,552	-16,633	200,305
CIS and CDM Administration	135,048	96,019	10,878	-	-	-	-	-	(135,048)
Sub-Total	135,048	96,019	10,878	-	-	-	-	-	(135,048)
Integration Expenditures	-	-	254,986	-	-	-	-	-	-
Sub-Total	-	-	254,986	-	-	-	-	-	-
Communication and Corporate Sponsorship	62,572	50,455	13,965	64,327	59,298	76,875	80,670	21,372	18,098
Sub-Total	62,572	50,455	13,965	64,327	59,298	76,875	80,670	21,372	18,098
Miscellaneous	-	-	91,916	-	-	-	-	-	-
Total	18,411,431	18,357,504	17,392,997	17,157,075	16,993,467	17,380,425	18,575,648	1,582,181	164,217