

Exhibit 4:

Operating Expense

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4.1 Overview

4.1.1 Background

The operating expenses presented in this Exhibit represent the required expenditures necessary to maintain and operate ENWIN Utilities Ltd.'s ("ENWIN") distribution system assets, the costs associated with metering, billing and collecting from its customers; the costs associated with implementing and carrying out government mandated initiatives; the expenditures associated with ensuring the safety of all stakeholders (for example the public, ENWIN customers, ENWIN employees, etc) and the costs to maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory bodies (for example IESO, ESA, etc.). Operating expenses are comprised of expenses relating to Operations, Maintenance and Administration ("OM&A"), Depreciation & Amortization and Taxes. In Summary, these are the on-going costs associated with providing distribution services in alignment with customers' expectations.

4.1.2 2020 Test Year OM&A Expense Summary

Figure 4-1 below summarizes the change in OM&A from ENWIN's last rebasing in 2009 through to the 2020 Test year. Proposed OM&A for the test year of \$29,347,816 represents an increase of \$7.7 million, or 35%. Over this 11 year period, ENWIN estimates Ontario All-Items Consumer Price Index ("CPI") will have increased approximately 23.5% as provided in Section 4.1.5. The magnitude of the increase in ENWIN's OM&A has also been influenced by conversion to International Financial Reporting Standards ("IFRS") as well as other factors outside of ENWIN's control. As a result of this IFRS conversion, less overhead and labour can now be applied in the construction of ENWIN's capital assets. The impact of this is approximately \$2.2 million of overhead which must now be expensed which was previously capitalized under Canadian Generally Accepted Accounting Principles ("CGAAP"). The amount ENWIN must contribute to the Ontario Municipal Employees Retirement System ("OMERS") to fund its employees' pension plan has increased substantially since ENWIN last rebased (EB-2008-0227). This change in the OMERS contribution rate has increased ENWIN's OM&A by approximately \$752 thousand in excess of the Input Price Index ("IPI") adjusted for the OEB stretch factor and ENWIN growth.

OM&A Expenditures				
	2009	2020	Total Change	
	Board	Proposed	2009 Board Approved	
	Approved	Test Year	to 2020 Test Year	
	\$	\$	\$	CAGR
OM&A Total	21,623,868	29,347,816	7,723,948	2.82%
IFRS Impact on burden rates		(2,195,237)		
OMERS costs in excess of IPI		(752,554)		
IFRS impact on Employee Future Benefits (EFB) expense		(356,000)		
Effect of interest rate changes on EFB expense		(431,300)		
OM&A adjusted for the above	21,623,868	25,612,725	3,988,857	1.55%
Board approved inflation factor adjusted for stretch factors and growth				1.74%

Figure 4-1: OM&A Board Approved and Test Year Comparison

Conversion to IFRS also had the impact of increasing ENWIN's OM&A expense for Employee Future Benefits ("EFB") by \$356 thousand as determined by ENWIN's actuaries. Additionally, ENWIN's EFB expense was impacted by the decline in interest rates since 2009. The reduction in interest rates is estimated to have increased ENWIN's OM&A and EFB expense by \$431 thousand.

As illustrated in Figure 4-1 above, after allowing for these factors, ENWIN's adjusted or "normalized" OM&A is \$25,612,725 which over 11 years represents a 1.55% compound



annual growth rate ("CAGR"). ENWIN has estimated the Board's IPI inflationary factor adjusted for a stretch factor and growth over the same period would have resulted in a compound annual growth rate of 1.74%.

A year by year view of the growth of ENWIN's costs normalized for the above noted items compared to IPI adjusted for the OEB stretch factor and growth from the 2009 Board Approved OM&A is provided in the following Figure 4-2 below.

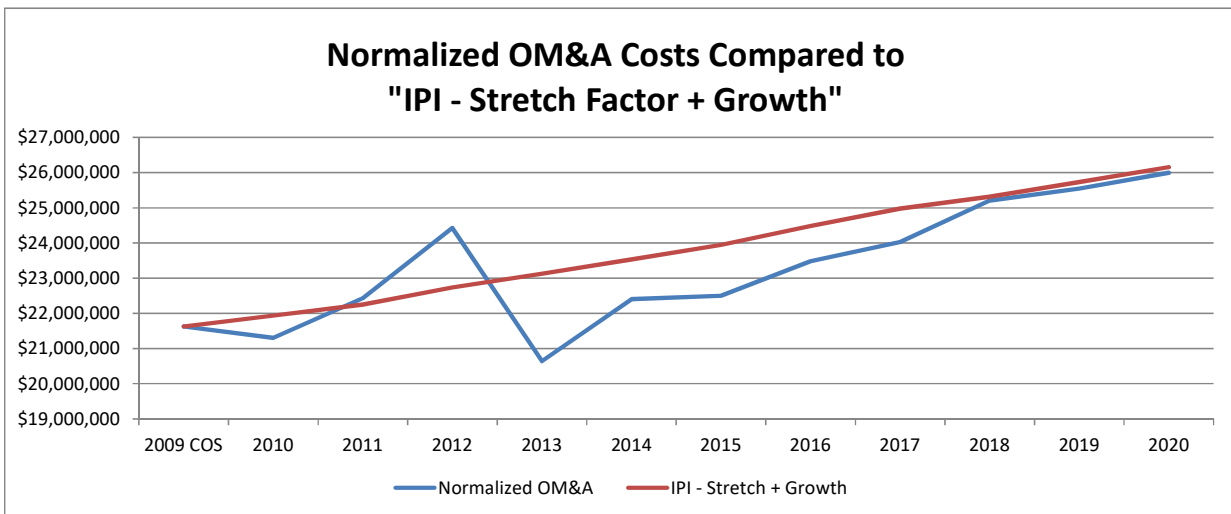


Figure 4-2: Normalized OM&A vs IPI

Figure 4-2 above illustrates that ENWIN's 2020 Test Year Normalized Costs are below the benchmark in the table starting with the 2009 OEB approved costs inflated annually by the IPI, adjusted for stretch factors and ENWIN growth.

Figure 4-3 summarizes the annual total OM&A levels together with their change year over year which is in Figure 4-4 below.



	OM&A (000's of \$)	Year over Year Change	
		(\$)	(%)
2009 Board Approved	21,624		
2009 Actual	19,949	(1,675)	-7.7%
2010 Actual	21,458	1,510	7.6%
2011 Actual	22,780	1,321	6.2%
2012 Actual	26,416	3,636	16.0%
2013 Actual	23,014	(3,402)	-12.9%
2014 Actual	25,079	2,065	9.0%
2015 Actual	25,393	314	1.3%
2016 Actual	26,108	715	2.8%
2017 Actual	26,759	651	2.5%
2018 Forecast	27,523	764	2.9%
2019 Bridge Year	28,773	1,250	4.5%
2020 Test Year	29,348	575	2.0%

Figure 4-3: Annual Total OM&A

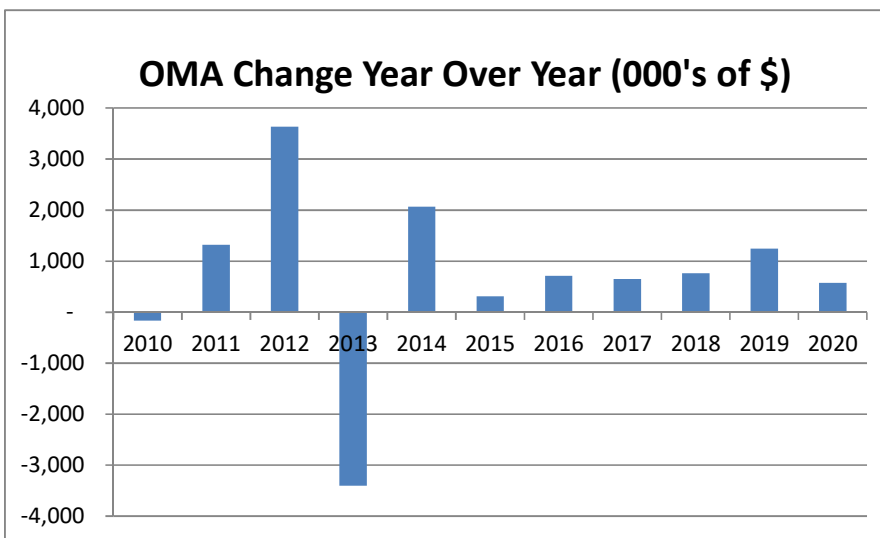


Figure 4-4: OM&A Change Year Over Year

From Figure 4-3 we see the volatility of ENWIN's OM&A costs has decreased in recent years since the completion of the transition to IFRS. 2009 Actual OM&A was \$19.9 million compared to the 2009 Board Approved OM&A of \$21.6 million, or a difference of \$1.68 million. \$924 thousand or the majority of this difference was due to Employee Future Benefits expense. 2009 EFB expense was much less than the Board Approved as a result of the amortization of actuarial gains resulting from the 2009 actuarial valuation. At that time ENWIN reported under CGAAP which utilized amortized gains or losses on valuation through the reported employee future benefits expense. These gains are not predictable or within the control of ENWIN. Shortly thereafter these gains were amortized, or had changed direction and ENWIN's EFB expense far surpassed the level of EFB expense included in the 2009 decision. Under IFRS these gains or losses are



recorded through Other Comprehensive Income (“OCI”) and do not introduce such volatility in annual EFB expense recorded through net income before OCI which is utilized for regulatory purposes.

2009 Actual OM&A was also lower than the 2009 Decision by \$325 thousand as a result of lower than planned vehicle expenses. At the time, Windsor was experiencing a significant economic slow-down resulting in low electricity consumption, and the 2009 Board Approved rates were not in place until midway through the year. As a result of these factors costs were contained by the delay or cancellation of vehicle lease renewals, and the elimination of elective replacements to fleet vehicles.

Lastly, Information Technology services and purchases were approximately \$210 thousand below the 2009 COS Decision. This cost reduction was due to a delay in conversion of ENWIN’s ERP system. The delay was due to various factors, including efforts and uncertainties associated with the COS application. In the following year, once the decision was finalized, the ERP project resumed and costs in this area increased by \$657 thousand as illustrated in Board Appendix 2-JB appended at Attachment 4-C to this Exhibit.

Cost Driver Overview

A detailed analysis of the overall cost drivers and significant changes between the period 2009 – 2020 Test Year is contained in Section 4.2 of this Exhibit.

An overview of the cost drivers is provided in the Figure 4-5 below:

OM&A Cost Driver Summary		
	\$	% of Total Change
2009 Board Approved OM&A	21,623,868	
Operating Wages and Benefits	3,279,015	42%
IFRS Impact of Burden Rate Changes	2,195,237	28%
Information Systems	787,526	10%
Employee Future Benefit	1,231,222	16%
Billing and Metering Services	319,809	4%
Other	(88,861)	-1%
Total change	7,723,948	100%
2020 Test Year OM&A	29,347,816	

Figure 4-5: OM&A Cost Driver Summary

The following is an overview of the major cost drivers impacting the change in total OM&A over the 11 year period which are also discussed in greater detail in Section 4.2 – Section 4.4 within this Exhibit:

- Operating Wages and Benefits are up \$3.3 million as a result of higher wage levels as a result of



inflationary and competitive factors influencing ENWIN payroll. Included in this increase \$950 thousand increase in OMERS cost in excess of IPI adjusted for stretch factors and growth of \$752 thousand. Over the period covered by this application, ENWIN's head count has reduced from 200 to 197.

- Conversion to IFRS resulted in approximately \$2.2 million of cost previously included in capital being expensed.
- Information Technology services and purchases increased by \$787 thousand over the 11 year period. Since the time of the last rebasing, ENWIN has installed a new customer facing IT system, customer internet portal, meter data management data base (MeterSense), GIS system, and outage management system.
- Employee Future Benefits expense has increased by \$1.2 million largely due to conversion to IFRS and changes in interest rates as described earlier in this section.
- Billing and Metering Services and expenses have increased by approximately \$320 thousand as a result of conversion to electronic meter reading and the MDM/R and time of use systems. Previously ENWIN split the costs of manual meter reading with the Windsor Utilities Commission as it was obtaining water usage readings at the same time. Now under the new platform, ENWIN must cover the communication and MDM/R data base costs on its own, resulting in a higher level of cost.

Customer and OM&A per FTE

From the 2009 Year to the 2020 Test Year, ENWIN's customer count has increased 5% from 88,532 to 88,707. As a result of headcount reducing from 200 in the 2009 decision to 197 in the 2020 Test Year, the number of Customer per FTE has increased favourably from 423 to 450. OM&A per customer has increased from \$255.81 to \$330.84. OM&A per FTE has increased from \$108,119 to \$148,974.

Materiality Threshold

In accordance with Chapter 2 Filing Requirements, an applicant must provide justification for changes from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold. ENWIN's materiality threshold is calculated as 0.5% of proposed base distribution revenue requirement for distributors with a revenue requirement greater than \$10 million and less than or equal to \$200 million. As such, ENWIN has selected the threshold of \$250,000 for variance analysis. Additional information on ENWIN's materiality threshold is found in Exhibit 1, section 1.9.12.

4.1.3 OM&A Budgeting Process

ENWIN produces an annual operating and capital budget along with a five year forecast and represents one of the critical components of the strategic planning and monitoring process for the organization. The typical timing for the budget begins with planning in the second quarter and final approvals from the Board of Directors in the fourth quarter of the preceding year prior to the budget year. The budgeting process is dynamic and is iterative throughout the process.



The development of the budget includes consideration of priorities, past trending along with opportunities for improvement to help the organization achieve its goals while maintaining strategic focus and discipline going forward. Care is taken to ensure that the capital and operating budgets provide value to ENWIN's customers, align with shareholder interests and support the organization's core business objectives and business plan. Budget proposals are measured according to financial feasibility, sustainability, rate and value impacts to customers. ENWIN employs the following process with respect to its' budgeting:

1. The Executive Team works collectively to explore and articulate high level goals including customer concerns, shareholder perspective, predictions of changes in revenue, strategic initiatives either from within ENWIN and its Board of Directors or the industry, cost pressures and performance concerns that must be addressed by each department. This step formulates high level expectations for each department related to cost control and efficiency improvement.
2. Department Directors, Managers and Supervisors then develop operating plans that support the high level objectives. Capital budget recommendations for ENWIN's Hydro Distribution division are developed through the collaboration of Infrastructure, Engineering, Finance, the Project Management Office and Hydro Operations. Other shared service departments such as Information Technology and Site & Fleet also solicit information from the organization to develop their current year's budget along with consideration towards their long term plan. Complete business cases and justifications are required for capital projects having a projected value in excess of \$250,000, which is aligned with the materiality threshold for this application. OM&A budgets are developed in a parallel process due to the interdependence of the two budgetary streams.
3. Significant variances in spending from prior years must be explained, documented and factored into future budget projections if warranted.
4. Department headcount, retirement projections and staff complement are reviewed and reduced where possible or any request for change is properly supported and documented for consideration by the Executive Team and CEO.
5. Once each departmental Capital and Operating budget is initially prepared, the Finance department then reviews the submissions for completeness, errors and areas of significant change. Finance then completes an initial consolidation of all departments to develop a draft budget.
6. The Executive team reviews the draft budget and poses questions of Department heads during focused budget presentations. Justifications for program changes are required, issues of variance reviewed, and proposed increases analyzed with an eye toward making changes to balance cost control with the achievement of core objectives. In an effort to contain costs, explore efficiencies and still provide an acceptable level of customer service

and reliability, the team explores all discretionary costs and identifies areas that can be reduced, deferred or addressed with alternative approaches. Several drafts on the budget are then compiled until a final budget is achieved where costs and corporate objectives are strategically balanced.

7. Senior Finance Management prepares a complete draft budget package including supplemental narratives, analysis and supporting schedules and submits to the Audit and Finance Committee of the Board of Directors as a proposed budget. Discussions and questioning occurs at the Audit and Finance Committee of the Board of Directors and any recommendations or modifications are debated and undertaken until committee support and recommendation to the full Board of Directors is obtained.
8. The Audit and Finance Committee recommended budget is presented to the Board of Directors. Discussions and challenges are explored at the Board of Directors and the budget is either approved or modified until Board approval is obtained.

The business planning process includes integration of ENWIN's short and long term goals. ENWIN's priorities can best be illustrated pictorially in the form of a compass with the customer occupying the "northern" or the uppermost prominent position. ENWIN's strategic framework and underpinnings provide the backdrop and catalyst for the specific elements of the company's business plans. These strategic priorities align with the OEB's Renewed Regulatory Framework.

4.1.4 Windsor Business Environment

The Windsor business environment during the 2009 - 2017 periods experienced a number of significant challenges including:

- Stagnant population growth;
- Unemployment at or around 10% but peaked at 15.4% in July 2009 - highest in the country for a period;
- Almost a complete elimination of new subdivision development, housing starts and new service installations;
- Auto sector crisis – 2008 to 2010. Chrysler and Ford received government assistance in 2009;
- Large factory closures, departures and downsizing – GM Transmission closure in July 2010;
- Large infrastructure projects requiring electricity system changes and expenses related to the extension of the 401 highway and the future International Gordie Howe Bridge; and
- Overall decrease in electrical load adversely impacted ENWIN's revenue stream.

The local economy however is slowly improving and strengthening more recently.

ENWIN is focused on customer impacts and the business environment along with the local economy effectively making rate stability and reliability a major source of focus for the utility. As can be seen in the customer surveys, ENWIN's large industrial customer base demands reliable power while all customers have some level of price sensitivity especially given the



significant increase in commodity pricing since the last Cost of Service in 2009. ENWIN has been focused on controlling costs while investing in infrastructure to meet the overall needs of its customers.

4.1.5 Inflation on Non-Labour Items

ENWIN has projected the inflation on non-labour items to be 2.0% for the 2019 Bridge Year and 2020 Test Year. For 2019 and 2020 ENWIN has projected inflationary increases of 2.25% for wages and salaries estimated as necessary given the strong economic climate in Windsor presently and local competitive forces for skilled trade positions. A summary of Ontario All-Items CPI over the period covered in this application is provided in Figure 4-6 below.

CPI - Ontario (All Items) (Source: Statistics Canada)			
	<u>Index</u>	<u>Increase</u>	<u>CPI %</u>
2009	113.7		
2010	116.5	2.8	2.46%
2011	120.1	3.6	3.09%
2012	121.8	1.7	1.42%
2013	123.0	1.2	0.99%
2014	125.9	2.9	2.36%
2015	127.4	1.5	1.19%
2016	129.7	2.3	1.81%
2017	131.9	2.2	1.70%
2018	135.0	3.1	2.35%
	Sum		17.4%
	Avg		1.93%
	Cumulative		18.7%
2019	137.7	Est.	2.0%
2020	140.5	Est.	2.0%
	Sum		21.4%
	Avg		1.94%
	Cumulative		23.5%

Figure 4-6: CPI - Ontario

4.2 SUMMARY AND COST DRIVER

Fully Allocated Costs

ENWIN is currently fully allocating costs to OM&A accounts in accordance with the APH.



However, in 2009 not all of the indirect overheads were applied within the income statement to OM&A accounts. This resulted in lower O&M balances and higher Administrative balances. For comparability purposes, ENWIN is presenting historical figures on the same basis to allow for consistency and comparability within this Exhibit. As a result of the change to fully allocated costs, some of the balances in this Exhibit may differ from previously reported RRR filings.

4.2.1 Summary of Recoverable OM&A Expenses

ENWIN currently follows the OEB's Accounting Procedures Handbook ("APH") in distinguishing work performed between Operations and Maintenance ("O&M"). A summary of ENWIN's OM&A expenses for the 2009 Board Approved, 2009 Actual – 2017 Actual, 2018 Forecast, 2019 Bridge Year and 2020 Test Year is provided in Figure 4-3 above, which is consistent with the OEB Appendix 2-JA. Figure 4-7 below also presents the same information along with variances by year. A copy of the OEB's Appendix 2-JA is also included in Attachment 4-A of this Exhibit. ENWIN is proposing to recover the 2020 Test Year costs through distribution rates for the 2020 Test Year.

	2009 Last Rebasing Year Board Approved	2009 Last Rebasing Year Actuals	Variance BA vs. 2009 Actuals	2010 Actuals	Variance 2010 Actuals vs. 2009 Actuals
Operations	\$ 2,437,390	\$ 2,428,126	\$ 9,264	\$ 2,179,670	\$ (248,456)
Maintenance	\$ 2,871,452	\$ 2,527,893	\$ 343,559	\$ 2,574,239	\$ 46,346
Billing and Collecting	\$ 1,279,189	\$ 1,265,826	\$ 13,363	\$ 648,427	\$ (617,399)
Community Relations	\$ 53,366	\$ 39,117	\$ 14,249	\$ 53,370	\$ 14,253
Administrative and General	\$ 14,982,471	\$ 13,687,876	\$ 1,294,595	\$ 16,002,774	\$ 2,314,898
Total OM&A Expenses	\$ 21,623,868	\$ 19,948,838	\$ 1,675,030	\$ 21,458,480	\$ 1,509,642
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)					
Total Recoverable OM&A Expenses	\$ 21,623,868	\$ 19,948,838	\$ 1,675,030	\$ 21,458,480	\$ 1,509,642
Variance from previous year				\$ 1,509,642	
Percent change (year over year)				7.6%	

Figure 4-7: OM&A Variances by Year

	2011 Actuals	Variance 2011 Actuals vs. 2010 Actuals	2012 Actuals	Variance 2012 Actuals vs. 2011 Actuals	2013 Actuals	Variance 2013 Actuals vs. 2012 Actuals
Operations	\$ 2,168,958	\$ (10,712)	\$ 2,215,696	\$ 46,738	\$ 2,241,488	\$ 25,792
Maintenance	\$ 2,083,371	\$ (490,867)	\$ 1,941,200	\$ (142,171)	\$ 1,987,679	\$ 46,479
Billing and Collecting	\$ 1,277,901	\$ 629,474	\$ 1,382,908	\$ 105,006	\$ 1,215,699	\$ (167,209)
Community Relations	\$ 106,603	\$ 53,233	\$ 39,925	\$ (66,678)	\$ 48,192	\$ 8,267
Administrative and General	\$ 17,142,682	\$ 1,139,908	\$ 20,836,210	\$ 3,693,529	\$ 17,520,813	\$ (3,315,397)
Total OM&A Expenses	\$ 22,779,515	\$ 1,321,036	\$ 26,415,939	\$ 3,636,423	\$ 23,013,871	\$ (3,402,067)
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)						
Total Recoverable OM&A Expenses	\$ 22,779,515	\$ 1,321,036	\$ 26,415,939	\$ 3,636,423	\$ 23,013,871	\$ (3,402,067)
Variance from previous year	\$ 1,321,036		\$ 3,636,423		\$ (3,402,067)	
Percent change (year over year)	6.2%		16.0%		-12.9%	

Figure 4-7 (Continued): OM&A Variances by Year



	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Actuals	Variance 2016 Actuals vs. 2015 Actuals
Operations	\$ 2,446,148	\$ 204,660	\$ 2,648,198	\$ 202,051	\$ 2,602,508	\$ (45,691)
Maintenance	\$ 2,014,312	\$ 26,633	\$ 1,750,044	\$ (264,268)	\$ 2,028,985	\$ 278,941
Billing and Collecting	\$ 1,559,075	\$ 343,376	\$ 1,347,818	\$ (211,257)	\$ 1,618,089	\$ 270,271
Community Relations	\$ 61,327	\$ 13,135	\$ 48,725	\$ (12,602)	\$ 55,286	\$ 6,561
Administrative and General	\$ 18,998,119	\$ 1,477,306	\$ 19,598,340	\$ 600,221	\$ 19,803,284	\$ 204,945
Total OM&A Expenses	\$ 25,078,981	\$ 2,065,110	\$ 25,393,125	\$ 314,144	\$ 26,108,153	\$ 715,028
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)						
Total Recoverable OM&A Expenses	\$ 25,078,981	\$ 2,065,110	\$ 25,393,125	\$ 314,144	\$ 26,108,153	\$ 715,028
Variance from previous year	\$ 2,065,110		\$ 314,144		\$ 715,028	
Percent change (year over year)	9.0%		1.3%		2.8%	
Percent Change: Test year vs. Most Current Actual						

Figure 4-7 (Continued): OM&A Variances by Year

	2017 Actuals	Variance 2017 Actuals vs. 2016 Actuals	2018 Forecast	Variance 2018 Forecast vs. 2017 Actuals	2019 Bridge Year	Variance 2019 Bridge vs. 2018 Forecast	2020 Test Year	Variance 2020 Test vs. 2019 Bridge
Operations	\$ 7,269,859	\$ 4,667,351	\$ 6,882,531	\$ (387,328)	\$ 7,698,671	\$ 816,140	\$ 7,729,065	\$ 30,394
Maintenance	\$ 2,487,236	\$ 458,251	\$ 2,942,835	\$ 455,599	\$ 3,243,162	\$ 300,327	\$ 3,174,613	\$ (68,549)
Billing and Collecting	\$ 2,472,105	\$ 854,016	\$ 2,829,545	\$ 357,439	\$ 3,049,494	\$ 219,949	\$ 3,122,687	\$ 73,193
Community Relations	\$ 132,385	\$ 77,098	\$ 175,829	\$ 43,444	\$ 182,709	\$ 6,881	\$ 147,723	\$ (34,986)
Administrative and General	\$ 14,396,981	\$ (5,406,303)	\$ 14,692,318	\$ 295,337	\$ 14,599,324	\$ (92,994)	\$ 15,173,728	\$ 574,404
Total OM&A Expenses	\$ 26,758,566	\$ 650,414	\$ 27,523,058	\$ 764,491	\$ 28,773,361	\$ 1,250,303	\$ 29,347,816	\$ 574,455
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)								
Total Recoverable OM&A Expenses	\$ 26,758,566	\$ 650,414	\$ 27,523,058	\$ 764,491	\$ 28,773,361	\$ 1,250,303	\$ 29,347,816	\$ 574,455
Variance from previous year	\$ 650,414		\$ 764,491		\$ 1,250,303		\$ 574,455	
Percent change (year over year)	2.5%		2.9%		4.5%		2.0%	

Figure 4-7 (Continued): OM&A Variances by Year

Material Variances in Recoverable OM&A

Any material variances identified above are explained below in more detail at the cost driver level in Section 4.2.3 of this Exhibit. Program level classifications contained within Board Appendix 2-JC may have different groupings and classifications than the summary from Board Appendix 2-JA. Adjustments were made as described under the 'Fully Allocated Costs' section above and those may result in different groupings within each Appendix. The total OM&A however has remained consistent between all Appendices.

4.2.2 Changes in Test Year OM&A Relative to Capitalized OM&A

Figure 4-8 below provides a summary of OM&A overhead charges before capitalization for the historical years 2009-2017 as well as the 2018 Forecast, 2019 Bridge Year and 2020 Test Year. This table can be found in Attachment 4-B of this Exhibit and is consistent with Board Appendix 2-D.



OM&A Before Capitalization	2009 Board Approved	2009 Historical Year	2010 Historical Year	2011 Historical Year	2012 Historical Year
Total OM&A Before Capitalization (B)	\$ 26,057,454	\$ 23,456,434	\$ 25,441,033	\$ 25,946,444	\$ 28,277,215
Total Capitalized OM&A (A)	\$ 4,433,587	\$ 3,507,596	\$ 3,982,553	\$ 3,166,929	\$ 1,861,276
% of Capitalized OM&A (=A/B)	17%	15%	16%	12%	7%

Figure 4-8: Capitalized OM&A

OM&A Before Capitalization	2013 Historical Year	2014 Historical Year	2015 Historical Year	2016 Historical Year	2017 Historical Year
Total OM&A Before Capitalization (B)	\$ 25,149,291	\$ 27,395,049	\$ 27,912,667	\$ 28,276,788	\$ 28,850,851
Total Capitalized OM&A (A)	\$ 2,135,420	\$ 2,316,068	\$ 2,519,542	\$ 2,168,635	\$ 2,092,285
% of Capitalized OM&A (=A/B)	8%	8%	9%	8%	7%

Figure 4-8 (Continued): Capitalized OM&A

OM&A Before Capitalization	2018 Forecast Year	2019 Bridge Year	2020 Test Year
Total OM&A Before Capitalization (B)	\$ 30,335,737	\$ 31,649,755	\$ 32,377,372
Total Capitalized OM&A (A)	\$ 2,812,679	\$ 2,876,394	\$ 3,029,557
% of Capitalized OM&A (=A/B)	9%	9%	9%

Figure 4-8 (Continued): Capitalized OM&A

Figure 4-8 provides a breakdown of OM&A before capitalized OM&A. The percentage of capitalized OM&A for the periods 2012-2017 when IFRS became effective have ranged from 7-9%. The 2020 Test Year is projected to be at 9%. Overhead costs can fluctuate annually depending on new or changing projects, inflation and fluctuations of the Canadian dollar as examples. As a result, the amount eligible for capitalization can fluctuate year over year.

As discussed in the Capitalization Policy in Exhibit 2, Section 2.5.8, ENWIN implemented regulatory accounting changes for capitalization and depreciation policies in 2012 but for financial statement restatement purposes, retroactively restated comparative figures effective January 1, 2011 in accordance with the Board's letter dated July 12, 2012. ENWIN also reviews and updates the capitalization policy as required and the existing capitalization policy was updated in 2019.

4.2.3 Cost Driver Tables

Consistent with the Board's Appendix 2-JB, Figure 4-9 below provides a list of the cost drivers that affected year over year OM&A spending or, where the cost driver is common or recurring, expenditures that have impacted multiple years. A copy of the Board's Appendix 2-JB can also be found in Attachment 4-C to this Exhibit.



OM&A	Last Rebasing Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Actuals
<i>Reporting Basis</i>	CGAAP	CGAAP	CGAAP	MIFRS
Opening Balance	\$ 21,623,868	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515
Operating portion of wages and benefits	193,802	1,512,953	810,205	130,443
IFRS Change in Burden Rates - Rate				1,401,664
Information Systems	(209,884)	657,301	(204,759)	(202,569)
Outside Services	(232,224)	223,031	(76,786)	174,996
Materials	(19,926)	(266,131)	(109,722)	(175,216)
Property expenses	(38,799)	147,998		(102,121)
Employee Future Benefits	(923,824)	461,306	518,317	2,363,254
Bad Debt	(68,170)	(641,184)	540,196	(87,196)
Office Supplies, Insurance and Misc.	(73,737)	(244,695)		(114,052)
Professional Fees and Consulting	186,723	(19,618)	(157,186)	111,639
Billing and Metering outside services	30,792	31,102	94,491	(40,154)
Smart Meter Contra				
Vehicle expenses	(325,348)	(129,379)		379,950
Other immaterial items	(194,434)	(223,042)	(93,722)	(204,213)
Closing Balance	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939

Figure 4-9: Cost Drivers



OM&A	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS
Opening Balance	\$ 26,415,939	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125
Operating portion of wages and benefits	(1,782,511)	779,039	519,355	424,168
IFRS Change in Burden Rates - Rate	258,829	262,699	153,725	(320,656)
Information Systems	75,091	152,299	155,431	
Outside Services	162,257	(112,162)	82,775	151,916
Materials		137,863		
Property expenses	73,535	101,436		(99,547)
Employee Future Benefits	(1,708,517)	(51,595)	214,421	77,923
Bad Debt	110,099	318,986	(244,869)	239,787
Office Supplies, Insurance and Misc.		363,504		
Professional Fees and Consulting	(401,533)	(184,712)		
Billing and Metering outside services	(50,552)	26,890	22,827	35,934
Smart Meter Contra		452,120	(452,162)	
Vehicle expenses	61,680		(99,780)	
Other immaterial items	(200,447)	(181,258)	(37,578)	205,503
Closing Balance	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153

Figure 4-9 (Continued): Cost Drivers



OM&A	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS
Opening Balance	\$ 26,108,153	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361
Operating portion of wages and benefits	726,014	(165,057)	(32,200)	162,804
IFRS Change in Burden Rates - Rate	22,671	206,443	175,033	34,829
Information Systems	207,438	(253,818)	373,144	37,852
Outside Services	(468,694)	204,685	231,589	(188,418)
Materials	44,366	94,184	(72,386)	
Property expenses	170,471			146,698
Employee Future Benefits	112,286	49,796	57,649	60,207
Bad Debt	(483,657)	116,041	153,640	12,928
Office Supplies, Insurance and Misc.	199,194			(100,924)
Professional Fees and Consulting	(55,042)	278,228		177,631
Billing and Metering outside services			151,737	16,742
Smart Meter Contra				
Vehicle expenses	95,519			
Other immaterial items	79,846	233,991	212,097	214,105
Closing Balance	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816

Figure 4-9 (Continued): Cost Drivers

The following explanations detail the primary cost drivers that have influenced the increase in ENWIN's OM&A Expenditures since the last 2009 Board Approved, up to and including the 2020 Test Year. Each driver is summarized by its net change year over year. ENWIN has provided comments on those variances greater than its materiality threshold of \$250,000.



Operating portion of wages and benefits

2009 Actuals to 2017 Actuals

For more detailed variance analysis related to wages and benefits see Section 4.4 Employee Compensation.

IFRS Change in Burden Rates

2011 Actuals to 2012 Actuals – \$1,401,664

ENWIN converted from CGAAP to IFRS in 2012 with restatement back to January 1, 2011. The conversion to IFRS resulted in changes to depreciation and capitalization policies which resulted in increased OM&A expenses. The increases were directly a result of lower capitalization/burden rates which resulted in less overhead costs being capitalized and more remaining within OM&A under IFRS. The changes were consistent with the Board's letter dated July 12, 2012.

2012 Actuals to 2013 Actuals – \$258,829

The amount of internal labour spent on capital work increased in 2013 compared to 2012. That increase in work caused an increase in the amount of overhead that remained within OM&A under IFRS compared to what would have existed under CGAAP.

2013 Actuals to 2014 Actuals – \$262,699

The amount of internal labour spent on capital work increased in 2014 compared to 2013. Again, the increase in labour spent on capital work, resulted in more overhead remaining within OM&A under IFRS compared to CGAAP.

2015 Actuals to 2016 Actuals – (\$320,656)

The amount of material burden capitalized in 2015 was higher than historical years as a result of reactive equipment replacements, station equipment for transformer stations and feeder reliability improvements. More details regarding the capital spending is explained within Exhibit 2.

Information Systems

2009 Actuals to 2010 Actuals – \$657,301

The increase in costs were a result of the implementation of a new ERP system, specifically SAP. Costs declined in 2011 and 2012 back to the 2009 Board Approved levels once the system was fully implemented.



2017 Actuals to 2018 Forecast – (\$253,818)

The decrease is a result of delays in implementing a customer portal. Costs in 2018 were lower than previous years as many of the projects were in progress and not yet implemented.

2018 Forecast to 2019 Bridge Year – \$373,144

The variance is a result of lower than normal operating costs as a result of delays in implementing a customer portal in 2018. The Bridge Year also contains cyber security related costs.

Outside Services

2016 Actuals to 2017 Actuals – (\$468,694)

In 2016, the tree trimming service area was much larger than in 2017 resulting in fewer costs during 2017. Also during 2016, one-time substation remediation costs were realized that were not required during 2017.

Employee Future Benefits

Detailed variance analysis and descriptions for Employee Future Benefit costs are provided below in Section 4.4 Employee Compensation. However the annual material variances are also explained as follows:

2009 OEB Board Approved to 2009 Actuals – (\$923,824)

In 2008 ENWIN engaged an independent professional actuarial firm to perform a full valuation. For the 2009 year, certain factors were updated in accordance with the Canadian Institute of Chartered Accountants, Section 3461. The discount rate change resulted in approximately \$270 thousand of lower interest costs. Current service costs also declined by approximately \$526 thousand.

2009 Actuals to 2010 Actuals – \$461,306

ENWIN engaged the same actuarial firm in 2010 to calculate the employee future benefit liability and expense. The two main differences in the rate were an increase of \$144,013 in current service costs and a net increase of \$377,391 in the amortization of historical actuarial gains/losses.

2010 Actuals to 2011 Actuals – \$518,317

A full actuarial valuation was performed in 2011. The result was an increase in the current service costs of \$214,769. An actuarial gain of \$422,004 was realized in 2010 which was not realized in 2011.



2011 Actuals to 2012 Actuals – \$2,363,254

In 2012, ENWIN converted to IFRS retroactive to January 1, 2011. During the 2012 year when converting from CICA3461 to IAS19, ENWIN elected to recognize gains and losses fully in expense in the year of occurrence. That resulted in what is now considered to be Other Comprehensive Income ("OCI") as being expensed. This caused a significant increase in expense in 2012.

2012 Actuals to 2013 Actuals – (\$1,708,517)

In 2013, a change was made to IAS19 which caused ENWIN to elect to recognize the OCI in equity rather than the income statement. That practise is currently still being followed by ENWIN but no longer recording OCI through the income statement resulted in a decrease in expenses in 2013 compared to 2012.

Bad Debt

2009 Actuals to 2010 Actuals – (\$641,184)

A general provision was reversed in 2010 for \$500,000 relating to the 2008 economic downturn. The large industrial and commercial base in Windsor was a concern at that time and a large provision was accrued in 2008. This was not required and therefore reversed in 2010.

2010 Actuals to 2011 Actuals – \$540,196

2010 had a reversal of a previous accrual to the provision for bad debts expense in 2010 for \$500,000 (see above). That reversal did not occur again in 2011.

2013 Actuals to 2014 Actuals – \$318,986

A specific provision was taken for one specific G1 customer in 2014 (\$130,000) as a result of a legal dispute. Also, in 2014, a new customer information system ("CIS") was implemented which resulted in delays in credit disconnections which caused balances to grow and consequently more write offs were realized compared to the previous year.

2016 Actuals to 2017 Actuals – (\$483,657)

A portion of the balance from the G1 customer that was provided for in 2014 (see description above) was collected in 2017 – the remainder was collected in 2018. A one-time write off related to traffic lighting occurred in 2016 in the amount of \$137 thousand for the period from 2011-2013. Otherwise, the aging of accounts receivable improved in 2017 which resulted in lower reserves.

Professional Fees and Consulting

2012 Actuals to 2013 Actuals – (\$401,533)

The 2012 expenses included consulting costs related to the new CIS implementation. Those



costs did not reoccur in 2013.

2017 Actuals to 2018 Forecast – \$278,228

The 9 year average in audit, legal and consulting is \$863,258 for the periods 2009 – 2017. The 2017 year was unusually low with less legal and consulting work required compared to previous.

Smart Meter Contra

2013 Actuals to 2014 Actuals – \$452,120

ENWIN received approval in 2014 (EB-2013-0348) for the disposition and recovery of its Smart Meter implementation. Smart Meter operating costs were recorded in a deferral account until the time of disposition in 2014 at which time those costs were realized as an operating expense.

2014 Actuals to 2015 Actuals – (\$452,162)

The 2014 disposition and recovery of the Smart Meter implementation did not reoccur in 2015 as described above.

Vehicle Expenses

2009 OEB Board Approved to 2009 Actuals – (\$325,348)

Actual leasing costs in 2009 were lower than the 2009 Board Approved values. Vehicles were not replaced as quickly as identified during the 2009 Cost of Service application.

2011 Actuals to 2012 Actuals – \$379,950

The 2012 Actuals are higher than 2011 Actuals as a result of lower vehicles overheads being capitalized as a result of the IFRS conversion in 2012.

4.2.4 OM&A Cost per Customer and per Full Time Equivalent

Provided below in Figure 4-10 is a summary of the OM&A cost per customer and per full time equivalent ("FTE"). This table is consistent with the Board's Appendix 2-L, which is included in Attachment 4-D to this Exhibit. The number of customers is based on an annual average for each rate class.



	Last Rebasing Year - 2009- Board Approved	Last Rebasing Year - 2009- Actual	2010 Actuals	2011 Actuals	2012 Actuals
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS
Total Recoverable OM&A from Appendix 2-JB	\$ 21,623,868	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939
Number of Customers	84,532	84,578	84,754	84,884	85,213
Number of FTEs	200	195	192	193	196
Customers/FTEs	422.66	433.73	441.43	439.81	434.76
Total OM&A per customer	\$ 255.81	\$ 235.86	\$ 253.18	\$ 268.36	\$ 310.00
Total OM&A per FTE	\$ 108,119	\$ 102,302	\$ 111,763	\$ 118,029	\$ 134,775

Figure 4-10: OM&A per Customer and FTE

	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Total Recoverable OM&A from Appendix 2-JB	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566
Number of Customers	85,589	86,185	86,616	87,149	87,697
Number of FTEs	198	190	189	198	198
Customers/FTEs	432.27	453.60	458.28	440.14	443.00
Total OM&A per customer	\$ 268.89	\$ 290.99	\$ 293.17	\$ 299.58	\$ 305.13
Total OM&A per FTE	\$ 116,232	\$ 131,995	\$ 134,355	\$ 131,859	\$ 135,173

Figure 4-10 (Continued): OM&A per Customer and FTE

	2018 Forecast	2019 Bridge Year	2020 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS
Total Recoverable OM&A from Appendix 2-JB	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816
Number of Customers	88,032	88,369	88,707
Number of FTEs	195	195	197
Customers/FTEs	451.45	453.17	450.29
Total OM&A per customer	\$ 312.65	\$ 325.61	\$ 330.84
Total OM&A per FTE	\$ 141,144	\$ 147,556	\$ 148,974

Figure 4-10 (Continued): OM&A per Customer and FTE

The 2012 transition to MIFRS resulted in higher OM&A expenses and that makes the trending not comparable. If the impact of the IFRS is removed from the OM&A, the OM&A per customer and OM&A per FTE are as follows:



	Last Rebasing Year - 2009- Board Approved	Last Rebasing Year - 2009- Actual	2010 Actuals	2011 Actuals	2012 Actuals
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS
OM&A Costs					
Total OM&A per customer	\$ 255.81	\$ 235.86	\$ 253.18	\$ 268.36	\$ 293.55
Total OM&A per FTE	\$ 108,119	\$ 102,302	\$ 111,763	\$ 118,029	\$ 127,624

Figure 4-11: OM&A per Customer and FTE - Normalized

	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OM&A Costs					
Total OM&A per customer	\$ 249.49	\$ 268.68	\$ 269.19	\$ 279.43	\$ 286.59
Total OM&A per FTE	\$ 107,845	\$ 121,873	\$ 123,366	\$ 122,990	\$ 126,963

Figure 4-11 (Continued): OM&A per Customer and FTE - Normalized

	2018 Forecast	2019 Bridge Year	2020 Test Year	CAGR
Reporting Basis	MIFRS	MIFRS	MIFRS	
OM&A Costs				
Total OM&A per customer	\$ 290.10	\$ 301.16	\$ 306.09	1.6%
Total OM&A per FTE	\$ 130,962	\$ 136,477	\$ 137,831	2.2%

Figure 4-11 (Continued): OM&A per Customer and FTE – Normalized

4.3 Program Delivery Costs and Variance Analysis

4.3.1 Program Delivery Costs

ENWIN has a variety of programs, activities and initiatives that are imperative to continue to provide safe and reliable service to customers. In Figure 4-12 below, which is consistent with the Board's Appendix 2-JC with the exception of the variance column, ENWIN has identified its programs and major functions on a comparative basis from 2009 Board Approved to the 2020 Test Year. A copy of the Board's Appendix 2-JC can also be found in Attachment 4-E to this Exhibit. ENWIN has provided variances against 2017 Actual year given that was the most recent filed information with the OEB at the time of filing.

These programs contribute to achieving the new Renewed Regulatory Framework performance outcomes of Customer Focus, Operational Effectiveness, and Public Policy Responsiveness. This shows the alignment of ENWIN's direct costs and the management of the costs associated with outcomes. An analysis is provided below on all material variances that exceed the materiality threshold for the 2020 Test Year versus 2017 Actual expenses and 2020 Test Year versus 2009 Board approved amounts.



	Last Rebasing Year (2009 Board- Approved)	Last Rebasing Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Actuals
Programs					
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS
Customer Focus					
Community Relations	\$ 110,102	\$ 78,440	\$ 83,793	\$ 144,511	\$ 82,962
Bad Debt	692,732	624,562	-16,622	523,574	436,378
Customer Service & Billings	1,832,667	1,768,165	1,959,211	2,029,031	2,026,886
Customer Collections	75,231	98,257	92,199	88,909	322,041
Sub-Total	2,710,733	2,569,424	2,118,581	2,786,025	2,868,267
Operations and Maintenance					
Storms	123,103	110,713	77,525	224,349	121,241
Overhead Operations and Maintenance	2,018,516	1,995,873	2,246,390	2,629,634	2,829,957
Underground Operations and Maintenance	1,292,342	1,178,333	1,427,703	1,635,237	1,833,641
Station and MTS Maintenance	404,418	407,809	466,156	440,590	448,171
Tree Trimming Maintenance	859,538	782,442	906,480	790,960	988,323
Transformer Operations and Maintenance	412,758	337,869	372,075	311,922	271,208
Load Dispatching (SCADA)	303,365	331,494	324,080	345,230	437,341
Meter Operations	434,284	660,538	744,097	439,678	698,906
Control Room Operations	947,339	894,430	849,714	938,461	983,256
Engineering	1,104,155	1,111,794	1,366,785	1,451,830	1,210,348
Health and Safety Program	185,867	203,242	176,515	172,469	169,966
Sub-Total	8,085,686	8,014,535	8,957,519	9,380,359	9,992,358
Administrative and General					
General Plant and Vehicles	1,489,391	1,021,184	1,328,566	1,265,682	1,800,676
Insurance	367,080	489,219	337,321	368,931	367,957
Information Systems	1,027,972	818,087	1,475,388	1,270,629	1,068,060
Post employment costs (EFB)	1,829,697	905,873	1,367,178	1,885,496	4,248,749
Administrative & Human Resource Expenses	4,713,715	4,597,313	4,423,570	4,403,674	4,774,067
Sub-Total	9,427,855	7,831,676	8,932,023	9,194,411	12,259,509
Public and Regulatory Responsiveness					
Regulatory Affairs	534,992	332,484	223,360	239,258	258,509
Audit, Legal and Consulting	788,882	1,091,236	1,106,683	1,020,897	862,099
Sub-Total	1,323,875	1,423,720	1,330,043	1,260,156	1,120,607
Miscellaneous	75,720	109,482	120,314	158,565	175,197
Total	\$ 21,623,868	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939

Figure 4-12: Program Cost and Variance Analysis



	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals
Programs					
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Customer Focus					
Community Relations	\$ 92,395	\$ 103,680	\$ 74,610	\$ 108,254	\$ 132,385
Bad Debt	546,478	865,464	620,595	860,382	376,725
Customer Service & Billings	2,006,087	2,172,784	1,963,237	2,044,107	1,993,014
Customer Collections	97,439	100,342	109,389	106,250	102,367
Sub-Total	2,742,398	3,242,271	2,767,830	3,118,993	2,604,490
Operations and Maintenance					
Storms	99,301	164,101	108,270	75,101	137,384
Overhead Operations and Maintenance	2,719,043	2,515,795	2,397,161	2,536,458	2,618,415
Underground Operations and Maintenance	1,592,559	1,494,610	1,631,981	1,638,526	1,349,702
Station and MTS Maintenance	377,049	338,337	555,433	651,402	289,637
Tree Trimming Maintenance	1,090,091	880,463	875,405	1,081,838	867,897
Transformer Operations and Maintenance	232,627	231,878	215,532	208,325	203,552
Load Dispatching (SCADA)	438,196	407,905	368,110	406,951	398,550
Meter Operations	588,845	813,580	739,257	766,514	651,911
Control Room Operations	1,079,689	1,131,637	1,154,896	1,385,657	1,491,309
Engineering	963,062	1,303,971	1,354,788	1,547,699	1,648,006
Health and Safety Program	171,379	183,625	197,561	205,407	176,443
Sub-Total	9,351,841	9,465,902	9,598,395	10,503,878	9,832,805
Administrative and General					
General Plant and Vehicles	1,885,785	2,026,254	1,914,120	1,857,215	2,229,136
Insurance	381,526	403,031	434,110	466,505	449,340
Information Systems	1,143,151	1,295,451	1,450,882	1,438,155	1,645,594
Post employment costs (EFB)	2,540,232	2,488,637	2,703,058	2,780,981	2,893,267
Administrative & Human Resource Expenses	3,773,297	4,890,126	5,277,936	4,871,197	6,189,004
Sub-Total	9,723,992	11,103,499	11,780,106	11,414,054	13,406,340
Public and Regulatory Responsiveness					
Regulatory Affairs	233,882	225,722	230,109	320,700	308,481
Audit, Legal and Consulting	785,644	850,828	862,885	690,518	505,717
Sub-Total	1,019,526	1,076,551	1,092,994	1,011,219	814,198
Miscellaneous	176,114	190,758	153,799	60,009	100,733
Total	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566

Figure 4-12 (Continued): Program Cost and Variance Analysis



	2018 Forecast	2019 Bridge Year	2020 Test Year	Variance (Test Year vs. 2017 Actuals)	Variance (Test Year vs. Last Rebasing Year (2009 Board-Approved))
Programs					
Reporting Basis	MIFRS	MIFRS	MIFRS		
Customer Focus					
Community Relations	\$ 175,829	\$ 182,709	\$ 147,723	\$ 15,338	\$ 37,621
Bad Debt	492,766	646,406	659,334	282,610	-33,398
Customer Service & Billings	2,234,993	2,300,623	2,358,932	365,918	526,265
Customer Collections	101,786	102,465	104,421	2,054	29,190
Sub-Total	3,005,373	3,232,204	3,270,410	665,920	559,678
Operations and Maintenance					
Storms	183,054	188,843	183,357	45,973	60,254
Overhead Operations and Maintenance	2,630,298	2,837,965	2,765,018	146,603	746,502
Underground Operations and Maintenance	1,440,009	1,541,715	1,536,762	187,060	244,420
Station and MTS Maintenance	347,036	419,660	432,304	142,667	27,886
Tree Trimming Maintenance	1,081,488	1,149,968	1,093,783	225,885	234,245
Transformer Operations and Maintenance	204,148	215,256	218,057	14,505	-194,701
Load Dispatching (SCADA)	281,267	483,614	482,793	84,243	179,427
Meter Operations	456,041	605,995	583,827	-68,084	149,542
Control Room Operations	1,490,833	1,441,601	1,494,972	3,664	547,633
Engineering	1,570,958	1,731,900	1,789,953	141,946	685,798
Health and Safety Program	241,482	392,591	367,579	191,136	181,711
Sub-Total	9,926,615	11,009,108	10,948,403	1,115,598	2,862,717
Administrative and General					
General Plant and Vehicles	2,237,662	1,760,088	1,906,786	-322,350	417,395
Insurance	467,832	479,189	488,773	39,433	121,693
Information Systems	1,391,776	1,764,920	1,802,772	157,178	774,800
Post employment costs (EFB)	2,943,063	3,000,712	3,060,919	167,652	1,231,222
Administrative & Human Resource Expenses	6,259,832	6,316,858	6,545,999	356,995	1,832,284
Sub-Total	13,300,163	13,321,767	13,805,249	398,908	4,377,394
Public and Regulatory Responsiveness					
Regulatory Affairs	331,671	261,897	304,374	-4,107	-230,618
Audit, Legal and Consulting	819,002	823,069	896,526	390,809	107,644
Sub-Total	1,150,673	1,084,966	1,200,900	386,702	-122,975
Miscellaneous	140,234	125,317	122,854	22,121	47,134
Total	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816	\$ 2,589,250	\$ 7,723,948

Figure 4-12 (Continued): Program Cost and Variance Analysis



4.3.2 Program Delivery Variance Analysis

In Appendix 2-JC, ENWIN presents a listing of its annual OM&A expenditures by Program, for the periods from the last 2009 Board Approved to the 2020 Test Year. For each Program, variances are calculated between the 2020 Test Year and the 2009 Board Approved, and between the 2020 Test Year and the 2018 Forecast year. The variances described below compares against the 2017 Actuals instead of the 2018 Forecast.

2020 Test Year vs 2017 Actuals

At the time of filing, the 2017 balances were the most recent OEB filed actual results. The 2018 balances were forecasted and were not used in this analysis. As a result, the variance analysis below highlights the last filed actual balances with the Test Year.

Bad Debt

2017 Actuals	2020 Test Year	Variance
\$ 376,725	\$ 659,334	\$ 282,610

Although bad debt expense is not a program, it does represent a material portion of the total OM&A costs for ENWIN. The 2020 estimated bad debt is based on a 5 year average for the period 2013-2017. The 2017 Actual year was actually the second lowest in a 10 year period and the lower than normal results in 2017 were due to a recovery of balances previously written off. Therefore, the 2020 Test Year balance is reflective of the anticipated normal bad debt expense level. This variance is not within the control of ENWIN.

Customer Service & Billings

2017 Actuals	2020 Test Year	Variance
\$ 1,993,014	\$ 2,358,932	\$ 365,918

In 2017, approximately \$141,000 for system related costs for meter reading were recorded in administration and general expenses but in 2018 and going forward, those costs are being recorded in the customer service & billing category to better reflect the cost of meter reading. There is also an increase of approximately \$158,000 of expenses that were not incurred in 2017 due to vacancies within the call centre that are not expected to occur in the future therefore, the full cost of the call centre approved complement is being budgeted in the 2020 Test Year. Unplanned vacancies that create short term variances are out of the control of ENWIN.

General Plant and Vehicles

2017 Actuals	2020 Test Year	Variance
\$ 2,229,136	\$ 1,906,786	-\$ 322,350

ENWIN is planning on allocating more vehicle costs to capital and O&M in 2020 compared to 2017 Actuals. ENWIN is also attempting to extend the lives of vehicles and delay maintenance on buildings whenever possible. ENWIN does have control over these costs.



Administrative & Human Resource Expenses

2017 Actuals	2020 Test Year	Variance
\$ 6,189,004	\$ 6,545,999	\$ 356,995

This program grouping represents the administrative expenses including wages and most of the benefits associated with the administrative functions within ENWIN. Although the variance is above the materiality threshold, the increase of \$356,995 represents a CAGR of 2.0% and that is the inflation assumption. ENWIN has influence but not full control over the majority of these costs.

Audit, Legal and Consulting

2017 Actuals	2020 Test Year	Variance
\$ 505,717	\$ 896,526	\$ 390,809

The 9 year average in audit, legal and consulting is \$863,258 for the periods 2009 – 2017. The 2017 year was unusually low with less legal and consulting work required compared to previous periods. A portion of these costs are not within the control of ENWIN.

2020 Test Year vs 2009 Board Approved Last Rebasing Year

Due to the 11 year period between the last 2009 Board Approved Rebasing Year and the 2020 Test Year, many of the variances are considered material changes simply due to the long period of time between the years. As a result, a CAGR is being presented along with the analysis to identify the inflationary component of the change over the period(s).

Customer Service & Billings

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 1,832,667	\$2,358,932	\$ 526,265	2.3%

Although the CAGR is very close to inflation, additional costs for Meter Data Management and Repository of Time of Use pricing along with tower and read charges are in excess of the traditional meter reading costs recorded in 2009 by approximately \$211,000. These incremental meter reading costs are prescribed and out of the control of ENWIN.

Overhead Operations & Maintenance

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 2,018,516	2,765,018	\$ 746,502	2.9%

The main reason for the increase in this area is due to wage and benefits for the operational staff. The absolute increase over the 11 years is 37%. The operational staff's wages have increased on average by 32.1% along with an increase in OMERS over the period. The increase in wages for this operational group is consistent with market values and that market analysis along with an explanation of the OMERS increase is described below in section 4.4 Employee Compensation. Wages are controlled by ENWIN but in many cases established by market forces. The other area of growth was the 2020 Test Year and most recent trending for Disconnection/Reconnection costs for customers. The 2020 Disconnection/Reconnection costs have increased by approximately \$98,000. Disconnection rules are not under the control of ENWIN as these activities are driven by economic factors and disconnection rules from the



regulator.

Control Room

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 947,339	\$1,494,972	\$ 547,633	4.2%

In accordance with the IESO's guidelines regarding maintenance of transformer stations, ENWIN operates a 24 hour a day control room. Since 2009 ENWIN has increased the staff in this area by 4 people. Additional staff was required to ensure appropriate succession planning and to avoid staff vacancies within the control room. Investments have also been made with automated switches and other smart grid functionality and as a result costs have increased in this area but would have saved other operational costs. The costs have also increased in this area as the staff in this area is anticipated to become full journeyman by 2020. ENWIN has some control over these costs however the requirement by the IESO to have a 24 hour a day operation center is outside of ENWIN's control.

Engineering

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 1,104,155	\$1,789,953	\$ 685,798	4.5%

Over 11 year period ENWIN developed and implemented a Geographical Information System ("GIS"). That required the addition of 5 staff. Otherwise the rest of the increase is a result of inflation. ENWIN does have control over these costs.

General Plant and Vehicles

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 1,489,391	\$1,906,786	\$ 417,395	2.3%

The significant variances compared to 2009 Board approved expenses are: utilities for the building, fuel costs, tools and building maintenance. Utility costs for the operating and administrative buildings increased by approximately \$100,000. Fuel costs also increased by approximately \$100,000 compared to 2009 Board approved expenses. Tools maintenance has increased as additional attention had been placed on the replacement and calibration of tools. The building maintenance costs have also increased since 2009 as our buildings are aging and require more maintenance. The operations centre was only 9 years old during the last cost of service and now it is nearly 20 years old and that requires more maintenance. The utility and fuel costs are outside of the control of ENWIN.

Information Systems

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 1,027,972	\$1,802,772	\$ 774,800	5.2%

The technology area of the business has significantly changed since 2009. ENWIN has approximately \$211,000 in security costs expected to occur within the 2020 Test Year, some of which was Cyber as required by the OEB. Time of use pricing and enhancements to customer portals to provide more relevant information to customers also has increased. Over \$308,000 is



proposed to be spent on customer portal and mobility access to improve the customer experience which includes managing time of use data. Approximately \$157,000 is planned to maintain the GIS and outage management system to help ensure and improve reliability for the customers. ENWIN does have control over these costs.

Post-employment costs

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 1,829,697	\$3,060,919	\$1,231,222	4.8%

The accounting change from CGAAP to IFRS resulted in different amounts being expensed. In 2009 under CGAAP, actuarial gains and losses were amortized over the several years whereas under the IFRS election chosen, current service costs are expensed in the year they are occurred. Any actuarial gains or losses are recorded through equity in the Accumulated Other Comprehensive Income section of the balance sheet. These valuation changes are not within the control of ENWIN.

Administrative & Human Resource Expenses

2009 Board Approved	2020 Test Year	Variance	CAGR
\$ 4,413,715	\$6,545,999	\$1,832,284	3.0%

As identified above, this program represents the wages, benefits and costs associated with the administrative activities of the organization. The majority of the increase is a result of inflationary increases in wages and also the additional costs associated with benefits, specifically OMERS. More details and analysis is provided in section 4.4 Employee Compensation.

4.4 Employee Compensation

4.4.1 Overview

The ENWIN employee compensation system is designated to be competitive and equitable in order to attract and retain qualified personnel in an industry that is confronted by an impending scarcity of skilled resources. The ENWIN compensation package includes a base wage and benefits package, along with incentive compensation for non-union staff.

ENWIN continues to face the issue of an aging workforce, particularly amongst its skilled trades departments. Many key skilled trades personnel are already eligible to retire or are going to be reaching retirement eligibility.

The average age of ENWIN's employees is approximately 46 years old but over 45% of the operational staff is 50 years old or older. Figure 4-13 below shows the allocation of staff ages for the operational staff. With such a large percentage of the staff being older than 50 years old, there is a significant amount of upcoming retirements. The continuing challenge for ENWIN is to bridge the gap in maintaining sufficient talent to meet the needs of the business while, at the same time, conducting sufficient succession planning for the future.

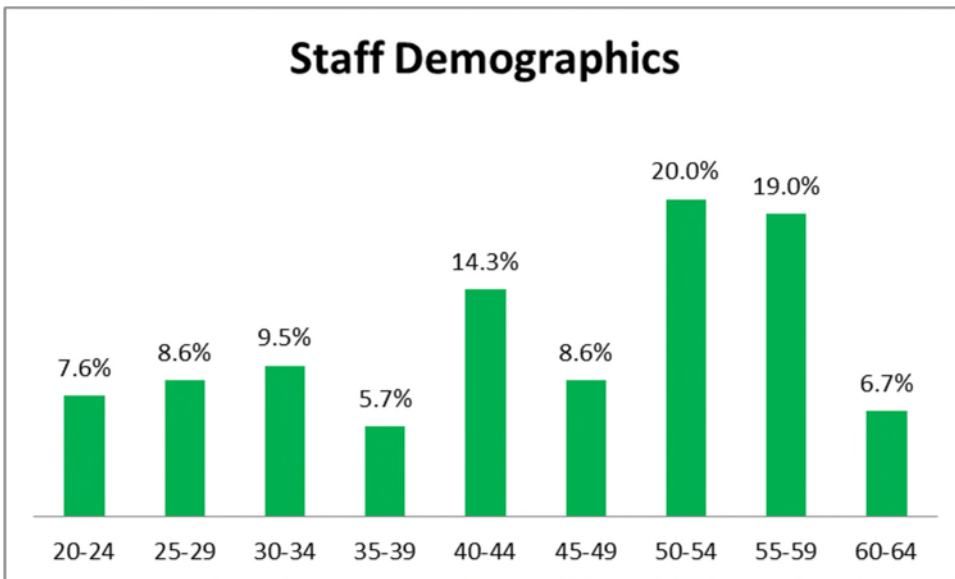


Figure 4-13: FTE Demographics

Unionized Employees

Approximately 64% of ENWIN's workforce is unionized. Unionized workers are represented by two different bargain units; one bargaining union for the Hydro or Electric employees performing the majority of field work and engineering, and another bargaining unit representing our shared services employees who do predominately administrative work supporting both ENWIN's regulated entity as well as supporting the water operations managed by ENWIN on behalf of the Windsor Utilities Commission. Both bargaining units are represented by the International Brotherhood of Electrical Workers ("IBEW"), Local 636, in separate 'Hydro Division' and 'Services Division' agreements.

The IBEW represents approximately 750,000 members in the construction, government, manufacturing, railroads, telecommunications and utilities sectors.

ENWIN's collective agreements provide for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted based on negotiated percentages as per the collective agreements. The commencement and expiry dates of ENWIN's current collective agreements are shown in Figure 4-14 below:



Bargaining Unit	Contract Period	Wage Increases
Hydro Division	April 1, 2015 to March 31, 2019	April 1, 2015 – 1.00%
		January 1, 2016 – 1.25%
		April 1, 2016 – 1.00%
		January 1, 2017 – 1.25%
		April 1, 2017 – 1.00%
		January 1, 2018 – 1.25%
		April 1, 2018 – 1.00%
		January 1, 2019 – 1.25%
Services Division	July 1, 2016 to December 31, 2019	July 1, 2016 - \$600 lump sum payment
		July 1, 2017 - \$1,300 lump sum payment
		July 1, 2018 - \$725 lump sum payment & 1.00%
		July 1, 2019 – 2.20%

Figure 4-14: Current Collective Agreements

The wage increase shown in the table above for each bargaining unit is applicable to each period of the contract. Each job classification in the collective bargaining agreements has basic job descriptions and a wage rate progression scale that increases from a minimum to a maximum rate.

In preparation for the negotiation of the collective bargaining agreements described above, ENWIN gathers like industry and local settlement information including other collective agreements from local IBEW bargaining groups. At the present time as aging demographics are common across most LDC's there are continued competitive forces making it difficult to attract and retain skilled workers. That fact combined with a pay grid for our Hydro division collective which we estimate to be on average 4% less than our regionally comparable LDC's makes the upcoming negotiation important for striking a balance between minimizing costs and allowing for a compensation package that is attractive for recruiting. For this reason, ENWIN has used an increase of 2.25% for the 2019 Bridge Year and 2.25% for the 2020 Test Year for wages and salaries and an increase of 2.0% for benefits, compared to 2.0% utilized for non-labour items. Historically competitive pressure has been greater with the Hydro division compared to the Services division. With the Hydro division cumulative wage rate increases are projected to be 32% on average from 2009 to 2020, compared to approximately 17% for the Services division. While the rate increase experienced in ENWIN's Hydro division is well above the cumulative CPI increase over the same period of 23.6%, as previously noted, ENWIN's current rates, compared to other regional LDC's are still on average 4% less.

Management & Non-Union Employees

As with ENWIN's union employees, compensation for this group of employees provide for annual payroll increases and employee step progressions (for those below 100%). Annual increases and grid adjustments (if applicable) are approved by the Board of Directors annually or as required and periodically benchmarked to other LDC's and local public and private sector groups. The most recent benchmarking indicated ENWIN's non-union employees manager



level and below where on average 5.8% less than at an average of comparable sized utilities, and 0.85% more, or essentially comparable, with an average of geographically comparable LDC's. Executive level compensation had mixed results with some executive levels paid up to 10% more and others paid 12% less. These results were varied and difficult comparators as ENWIN senior managers and executive in addition to a like sized electric utility are also responsible for water utility of approximately the same size, generally increasing the scope of work for the executives compared to the majority of the LDC's in the survey. For the executive group ENWIN rate payers benefit as only a portion of their cost is allocated to the LDC, with a significant portion charged to the water utility.

Incentive payments are also offered to these employees and beginning for the fiscal year 2020, all employees not in the union (executive, management, non-union) will be on the same incentive plan that aligns corporate and personal achievements to incentive pay.

Executives

Executives receive a base salary and incentive pay contingent upon both personal and corporate goal achievements. Corporate targets along with the actual annual incentive payment are approved annually by the Board of Directors.

4.4.2 Compensation Systems

ENWIN's total compensation system is comprised of a combination of fundamental elements designed to support the organization's compensation philosophy, motivate and reward performance aligned with critical business objectives, and provide a positive return on the significant dollars invested in compensation.

Merit Pay

As a performance driven organization, base salary is based on performance and tied directly to demonstrated behavioral competencies and ENWIN's values. At ENWIN, non-union employees achieve base line salary increases through goal setting and building behavioral competencies to improve individual skills to maximize potential and enhance their contribution to the business. The Performance Management System is a practical tool used to help both the employee and the organization achieve results. There is a partnership between the employee and supervisor to share in the responsibility of developing skills and abilities. It is the responsibility of the employee to take charge of their development while ENWIN provides them with the tools and coaching to achieve their development goals.

Merit pay is intended to provide a system to reward employee behaviors and values through increases to base pay. A merit increase is the amount of additional compensation added to current base salaries following a review of employee performance. Increases are usually awarded until the employee has achieved the 100% salary for their respective position. The salary grids are also adjusted annually based on inflation and employees receive all or a portion of this increase.

ENWIN has a formal and disciplined approach in awarding base line merit increases to individuals. Each Vice President reviews the performance of each non-union employee in their



department, taking into consideration the remarks and comments from the employee's direct supervisor who conducted the review prior to the recommendation of any merit increase. Final approval for merit increases resides with the CEO, who reviews all comments and recommendations to ensure such increases are warranted.

Incentive Based Pay

ENWIN seeks to encourage an incentive based performance culture by aligning employees' efforts with the corporate vision and the short and long-term goals of ENWIN. The Board of Directors for ENWIN annually sets out strategic objectives that align to the organization's success and continued growth. ENWIN supports the Balanced Scorecard methodology in setting corporate and individual goals to foster continuous improvement and cost reductions that support a healthy balance sheet that provides value to customers by keeping rates reasonable. Unionized employees are eligible for incentive payments as defined within the collective agreement. Non-unionized employees not entitled to overtime are eligible for an incentive payment based on a combination of organization and personal achievement of objectives.

Benefits

The employee benefit plans are designed to address the health and welfare of ENWIN's employees. There are benefit plans for the IBEW Hydro, IBEW Services and Non-Union/Management employees. The IBEW benefit plans are subject to change during the collective bargaining process which must be ratified by ENWIN's Board of Directors. The Non-Union plan typically follows a similar pattern but must be Board of Directors approved. While none of the plans are identical, they are similar.

The components of the benefits packages include: medical insurance, a company sponsored retirement plan, post-retirement benefits, employer's portion of government taxes and health and safety protection.

Copies of the employee benefit programs are included as Attachment 4-F to this Exhibit, and describe more in the next section.

4.4.3 Employee Benefits Programs

Benefits offered and paid by ENWIN are summarized as follows:

Statutory Benefits:

- Canada Pension Plan ("CPP") – ENWIN remits 4.95% of gross earning (2018 maximum per employee is \$2,593.90);
- Employment Insurance ("EI") – ENWIN remits 2.32% of gross earnings (2018 maximum per employee is \$1,201.51);
- Employer Health Tax ("EHT") – ENWIN remits 1.95% of gross earnings plus taxable benefits;
- Workplace Safety Insurance Board ("WSIB") – ENWIN remits 1.12% of gross earnings plus



taxable benefits (2018 maximum per employee is \$1,011.36).

A summary of the cost of each of these benefits from the 2009 COS decision through to the 2020 Test Year is provided in Figure 4-15 below.

	2009	2020	Change		
	Board	Proposed	2009 Board Approved		
	Approved	Test Year	to 2020 Test Year		
	\$	\$	\$	%	CAGR
CPP - Employer's portion	388,465	578,291	189,826	48.9%	3.7%
EI - Employer's portion	164,637	241,396	76,759	46.6%	3.5%
Employer Health Tax	273,482	364,055	90,573	33.1%	2.6%
WSIB	146,397	192,903	46,506	31.8%	2.5%
Total Statutory	972,981	1,376,645	403,664	41.5%	3.2%

Figure 4-15: Statutory Benefits Costs

As a result of rate changes as well as the Year's Maximum Pensionable Earnings ("YMPE") amounts on an employee by employee basis, costs such as CPP and WSIB increased more than CPI and in-line with the above costs. As ENWIN's head count has remained relatively flat since the last rebasing, the majority of the increases noted above are the result of statutory changes associated with these payroll taxes, and outside of the control of ENWIN.

Company Benefits:

- OMERS – ENWIN remits 9.0% on the first \$54,900 of earnings (subject to various inclusions and exclusions) and then ENWIN remits 14.6% of earnings thereafter (also subject to various inclusions and exclusions).
- Long Term Disability ("LTD") – ENWIN's benefit provider is SunLife Financial. ENWIN's premiums cover current employees until age 65 or while they are working.
- Life Insurance Benefits – ENWIN's benefit provider is SunLife. Active employees have life insurance coverage and depending on the type of employee, retirees also qualify for life insurance benefits.
- Health & Dental Benefits – ENWIN has an Administrative Services Only (ASO) plan with Green Shield Canada. The plan has specific stop loss levels to protect ENWIN against individual claims in excess of a specific limit.
- Employee Assistance Program ("EAP") – This program is offered through a local provider (Family Services Windsor Essex Counselling and Advocacy Centre) and assists employees and their immediate family members in assessing and resolving work, health and personal issues.

A Summary of Company benefit costs for the 2020 Test Year compared to the 2009 is provided in Figure 4-16 below:

	2009	2020	Change		
	Board Approved	Proposed Test Year	2009 Board Approved to 2020 Test Year		
	\$	\$	\$	%	CAGR
OMERS	943,897	1,892,628	948,731	100.5%	6.5%
LTD Insurance	138,784	220,458	81,674	58.8%	4.3%
Life Insurance	351,862	305,312	(46,550)	-13.2%	-1.3%
Health and Dental Benefits	671,304	672,602	1,298	0.2%	0.0%
Total Company Benefits	2,105,847	3,091,000	985,153	46.8%	3.6%

Figure 4-16: Company Benefits Costs

As provided in the table above Life Insurance costs and Health and Dental benefit costs have not increased materially or actually decreased based on competitive rates negotiated with suppliers. Long Term Disability costs while up as a large % do not account for a large gross dollar variance as measured over 11 years. This increase is largely due to an aging work force and experience rating.

ENWIN employees are members of the OMERS. OMERS is a multi-employer pension plan in which most Ontario LDCs participate. As such, ENWIN pension benefit costs are consistent with other participating Ontario LDCs. The plan is a contributory defined pension plan which is financed by equal contributions from the employer and employee based on the employee's contributory earnings. For the 2020 Test Year, ENWIN assumed OMERS rates of 9.0% on earning up to the YMPE level and 14.6% on earnings over YMPE. The contribution rates required by the company have changed significantly since 2009 as provided in Figure 4-17 below.

OMERS			
Year	YMPE	Funding required to YMPE	Funding required over YMPE
2019	\$57,400	9.00%	14.60%
2018	\$55,900	9.00%	14.60%
2017	\$55,300	9.00%	14.60%
2016	\$54,900	9.00%	14.60%
2015	\$53,600	9.00%	14.60%
2014	\$52,500	9.00%	14.60%
2013	\$51,100	9.00%	14.60%
2012	\$50,100	8.30%	12.80%
2011	\$48,300	7.40%	10.70%
2010	\$47,200	6.40%	9.70%
2009	\$46,300	6.30%	9.50%
2008	\$44,900	6.50%	9.60%
2007	\$43,700	6.50%	9.60%

Figure 4-17: OMERS Funding Costs by Year

The increase in contribution rates from 6.3% in 2009 to 9.0%, and from 9.6% to 14.6% for the



portion below the YMPE and above it, respectively has resulted in a significant source of increased cost of approximately \$949,000 which is beyond ENWIN's control. To mitigate this cost increase, ENWIN has reduced its FTE count since 2009, and while working to keep its pay levels in line, and not materially more, than other LDC's who compete for the same skilled employees.

Employee Future Benefits

ENWIN currently provides post-employment benefit life insurance and health and dental benefits to all active full time employees and retirees under the age of 65. Some current ENWIN employees and retirees are entitled to life time benefits, instead of to the age of 65. In recent years ENWIN has taken steps to minimize its EFB cost and removed life time benefit programs for all new employees. Through negotiations in 2013, effective July 23, 2013 no new employees will be eligible for life time benefits coverage. As a result, ENWIN effectively has three different employee groups that have may be eligible for different levels of retirement health and benefit coverage. Figure 4-18 summarizes the coverage amounts for each of the employee groups.

Employee Group	Payment Structure
Management	
Hired prior to April 1, 2002	Lifetime coverage
Hired between April 1, 2002 and December 31, 2013	\$5,000 per year for every year of service
Hired after December 31, 2013	Coverage to age 65
Union – Hydro	
Hired prior to April 1, 2002	Lifetime coverage
Hired after April 1, 2002	Coverage to age 65
Union – Services	
Hired prior to July 23, 2013	Lifetime coverage
Hired after July 23, 2013	Coverage to age 65

Figure 4-18: Employee Future Benefit Eligibility

ENWIN uses the accrual method of accounting for employee future benefits with the exception of the accounting for OMERS. OMERS is accounted for on a cash basis because OMERS is a multi-employer pension plan and individual employee future benefit obligations are not available at an employer level.

A comparison of 2009 Board Approved EFB costs to the 2020 Test Year is provided in Figure 4-



19 below. The increase in costs of \$1.2 million is a major cost driver for which recent volatility is due to factors now beyond ENWIN's direct control.

Employee Future Benefit (EFB) Cost					
	2009	2020	Change		
	Board	Proposed	2009 Board Approved		
	Approved	Test Year	to 2020 Test Year		
	\$	\$	\$	%	CAGR
Employee Future Benefits	1,829,697	3,060,919	1,231,222	67%	4.79%

Figure 4-19: Employee Future Benefit Cost

ENWIN's actuaries recently analyzed the 2008 EFB valuation and compared it to the one for 2018. The comparison indicated the EFB cost, made up of Current Service Costs and Interest Cost had increased from \$2.17 million in 2008 to \$3,011,300. Of this change, 42% or \$356,000 was due to conversion to IFRS, and 51% or \$431,300 of the increase was due to the impact of the discount rate changing from 5.35% to 3.4%. \$53,900 or 7% of the change was due to other factors such as health care per capita costs, health care trend rates, and demographic assumptions. The 2008 valuation formed the basis for the amount included in the 2009 Board approved EFB cost, and the 2020 Test Year cost estimate is consistent with the 2018 Valuation.

ENWIN also forecasted the impact of the September 14, 2017 Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs (EB-20015-0040) into the 2020 Test Year. Figure 4-20 below summarizes the calculation of the balances in USoA 1522 and those balances are included in Exhibit 9.

Description	2018 Actuals
2009 COS Post Retirement Benefit Expense	\$ 1,829,697
Less: Cash payments made	- 1,021,683
Difference	\$ 808,014

USoA	Account Description	2018 Actuals	2019 Bridge Year
1522	1522 OPEB Accrual v Cash Differential Contra	\$ 808,014	\$ 808,014
1522	1522 OPEB Accrual v Cash Differential	- 808,014	- 808,014
1522	Carrying Charge	-\$ 14,541	-\$ 42,801

Figure 4-20: Pension & Other Post-Employment Benefits (OPEBs) Costs

Over the 2009 Actual through to the 2020 Test Year period, the accounting standards changed from CGAAP to IFRS. As a result of that transition significant changes were made to the recognition of both the defined benefit obligation held on the balance sheet and the service costs and other actuarially gain/loss which were recorded on the income statement and statement of changes in equity sections of the financial statements respectively. Although there were several changes between the previous CGAAP standard under the Canadian Institute



of Chartered Accounts ("CICA") Handbook section 3461 and IFRS 19, the biggest change (from a rate perspective) was the elimination of the deferral and amortization of post-retirement actuarial gains and losses. Under IFRS, the accrued benefit obligation and the current service costs are actuarially determined by applying the projected unit credit method and reflecting management and the actuary's best estimate of certain underlying assumptions. The current service cost for a period is equal to the actuarial present value of benefits attributed to that period in which the employees rendered their services. Re-measurements of the net defined benefit obligation, which is comprised of actuarial gains and losses are recognized immediately in other comprehensive income.

Since ENWIN's transition to IFRS, ENWIN has recognized a cumulative loss of \$8.036 million in Accumulated Other Comprehensive Income within the equity section of the financial statements which means for rate setting purposes, those losses which previously under CGAAP would have been amortized through the income statement and into OM&A are currently not recorded in OM&A and therefore are not part of the rate setting process. The portion of the post retirement expenses that are included in OM&A include the service costs which effectively have increased over time due to the aging workforce and inflation. ENWIN has the defined benefit obligation and corresponding current service costs calculated annually by Eckler Ltd. The most recent valuation for the period ending December 31, 2017 is included in Attachment 4-H to this Exhibit.

4.4.4 FTE and Employee Costs

The ENWIN employee complement by FTE, compensation and benefits costs are summarized in Board Appendix 2-K which can be found in Attachment 4-G to this Exhibit.

Figure 4-21 below includes all of the information from Appendix 2-K plus additional sub-totals to provide additional information for purposes of the application and the variance analysis which will follow. The table shows the actual number of FTEs and compensation figures for 2009-2017, plus the forecasted FTEs and compensation figures for 2018-2020.



	Last Rebasing Year (2009 Board Approved)	Last Rebasing Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Actuals
Number of Employees (FTEs including Part-Time)					
Management (including executive)	29	33	35	34	35
Non-Management (union and non-union)	171	162	157	159	161
Total	200	195	192	193	196
Salary and Wages including overtime and incentive pay					
Management (including executive)	\$ 3,540,516	\$ 3,627,410	\$ 3,890,543	\$ 4,065,920	\$ 4,220,833
Non-Management (union and non-union)	10,076,854	10,043,554	10,772,117	11,257,698	11,126,534
Total Wages and Salaries	13,617,370	13,670,964	14,662,660	15,323,618	15,347,367
Benefits (Current + Accrued)					
Management excluding EFB costs	805,920	773,985	863,597	995,341	1,021,510
Management Employee Future Benefits	475,721	240,361	362,763	500,291	1,168,491
Total Management (including executive)	1,281,641	1,014,346	1,226,360	1,495,632	2,190,001
Non-Management Benefits excluding EFB	2,272,908	2,170,452	2,155,315	2,532,091	2,678,821
Non Management Employee Future Benefi	1,353,976	665,512	1,004,415	1,385,205	3,080,258
Total Non-Management (union and non-un	3,626,884	2,835,964	3,159,730	3,917,296	5,759,079
Total Benefits	4,908,525	3,850,310	4,386,090	5,412,928	7,949,080
Total Compensation (Salary, Wages, & Benefits)					
Management (including executive)	4,346,436	4,401,395	4,754,140	5,061,261	5,242,343
Non-Management (union and non-union)	12,349,762	12,214,006	12,927,432	13,789,789	13,805,355
Total Wages, Salary and Benefits	\$ 18,525,895	\$ 17,521,274	\$ 19,048,750	\$ 20,736,546	\$ 23,296,447

Figure 4-21: FTE & Employee Costs



	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals
Number of Employees (FTEs including Part-Time)				
Management (including executive)	36	32	32	33
Non-Management (union and non-union)	162	158	157	165
Total	198	190	189	198
Salary and Wages including overtime and incentive pay				
Management (including executive)	\$ 3,748,764	\$ 3,641,740	\$ 4,151,009	\$ 3,671,477
Non-Management (union and non-union)	11,703,666	12,368,365	12,327,765	12,999,356
Total Wages and Salaries	15,452,430	16,010,105	16,478,774	16,670,832
Benefits (Current + Accrued)				
Management excluding EFB costs	956,085	905,195	1,051,450	921,194
Management Employee Future Benefits	616,261	566,078	680,901	612,465
Total Management (including executive)	1,572,346	1,471,273	1,732,351	1,533,659
Non-Management Benefits excluding EFB	2,446,215	2,784,408	2,902,044	2,903,389
Non Management Employee Future Benefi	1,923,971	1,922,559	2,022,157	2,168,516
Total Non-Management (union and non-un	4,370,186	4,706,967	4,924,201	5,071,905
Total Benefits	5,942,532	6,178,240	6,656,552	6,605,564
Total Compensation (Salary, Wages, & Benefits)				
Management (including executive)	4,704,848	4,546,935	5,202,459	4,592,670
Non-Management (union and non-union)	14,149,881	15,152,773	15,229,809	15,902,745
Total Wages, Salary and Benefits	\$ 21,394,962	\$ 22,188,345	\$ 23,135,326	\$ 23,276,396

Figure 4-21 (Continued): FTE & Employee Costs

	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
Number of Employees (FTEs including Part-Time)				
Management (including executive)	34	36	36	36
Non-Management (union and non-union)	164	159	159	161
Total	198	195	195	197
Salary and Wages including overtime and incentive pay				
Management (including executive)	\$ 4,353,611	\$ 4,326,790	\$ 4,368,679	\$ 4,470,749
Non-Management (union and non-union)	12,942,613	12,791,837	13,512,481	14,017,942
Total Wages and Salaries	17,296,224	17,118,627	17,881,161	18,488,691
Benefits (Current + Accrued)				
Management excluding EFB costs	1,056,950	1,054,154	1,137,109	1,164,652
Management Employee Future Benefits	728,261	743,869	733,126	740,161
Total Management (including executive)	1,785,211	1,798,023	1,870,235	1,904,813
Non-Management Benefits excluding EFB	2,961,928	2,972,798	3,164,550	3,302,993
Non Management Employee Future Benefi	2,165,006	2,199,194	2,267,586	2,320,758
Total Non-Management (union and non-un	5,126,934	5,171,992	5,432,136	5,623,751
Total Benefits	6,912,145	6,970,015	7,302,371	7,528,564
Total Compensation (Salary, Wages, & Benefits)				
Management (including executive)	5,410,561	5,380,943	5,505,788	5,635,401
Non-Management (union and non-union)	15,904,541	15,764,635	16,677,031	17,320,935
Total Wages, Salary and Benefits	\$ 24,208,369	\$ 24,088,642	\$ 25,183,532	\$ 26,017,254

Figure 4-21 (Continued): FTE & Employee Costs

The number of employees shown above in Figure 4-21 is based on the computation of the number of FTE positions throughout each of the fiscal years. Staff members hired by or terminating from ENWIN are prorated in that year as a portion of an FTE based on the hours worked. The FTE calculation is based on the number of days worked during the period. The table excludes Board of Directors, co-op students and employees dedicated to non-rate regulated activities. ENWIN does not include hours for staff on long term disability. The salaries and wages amounts include all salaries and wages paid, inclusive of incentive pay, overtime, vacation earned (vacation in excess of current earned draws down the vacation liability account), holidays, sick leave, bereavement leave and other miscellaneous paid leaves.

The benefits amounts comprise the employer's portion of statutory benefits, including CPP, EI, EHT and WSIB. In addition, benefit amounts comprise the company's cost for providing: OMERS and other Employee Benefits as described in 4.4.5 below.



4.4.5 FTE, Wages & Benefits Variance Analysis

ENWIN completed the Board's Appendix 2-K, which is included above as Figure 4-21. Figure 4-22 below details employee costs from 2009 Board Approved through to the 2020 Test Year. All FTEs are defined above, with their corresponding wages and benefits are included in the variance analysis below, with material variances highlighted in yellow.

Variance Analysis - Year over Year Change	2009 COS vs 2009 Actual	2010 vs 2009	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014 vs 2013
FTE Variance - Year over Year						
Management (including executive)	4	2	(1)	1	1	(4)
Non-Management (union and non-union)	(9)	(5)	2	2	1	(4)
Total FTE Change	(5)	(3)	1	3	2	(8)
Salary and Wages Variance - Year over Year						
Management (including executive)	\$ 86,893	\$ 263,133	\$ 175,377	\$ 154,913	\$ (472,069)	\$ (107,024)
Non-Management (union and non-union)	(33,300)	728,562	485,582	(131,164)	577,133	664,698
Total Wages and Salaries Change	53,594	991,696	660,958	23,749	105,064	557,675
Benefits Variance						
Management Benefits excluding EFB	(31,935)	89,612	131,744	26,169	(65,426)	(50,889)
Management Employee Future Benefits	(235,360)	122,402	137,528	668,200	(552,230)	(50,183)
Management Benefits Total	(267,295)	212,014	269,272	694,369	(617,656)	(101,072)
Non-Management Benefits excluding EFB	(102,456)	(15,137)	376,776	146,730	(232,606)	338,193
Non Management EFB Cost	(688,464)	338,903	380,790	1,695,053	(1,156,287)	(1,412)
Non- Management Total	(790,920)	323,766	757,566	1,841,783	(1,388,893)	336,781
Total Benefits Change	(1,058,215)	535,780	1,026,838	2,536,152	(2,006,549)	235,709
Total Compensation Variance - Year over Year						
Management (including executive)	54,959	352,746	307,121	181,082	(537,495)	(157,913)
Non-Management (union and non-union)	(135,756)	713,425	862,358	15,566	344,527	1,002,891
Total Change , Year over Year	\$ (1,004,621)	\$ 1,527,476	\$ 1,687,796	\$ 2,559,901	\$ (1,901,485)	\$ 793,383

Figure 4-22: FTE & Employee Cost Variances



Variance Analysis - Year over Year Change	2015 vs 2014	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019
FTE Variance - Year over Year						
Management (including executive)	-	1	1	2	-	-
Non-Management (union and non-union)	(1)	8	(1)	(5)	-	2
Total FTE Change	(1)	9	-	(3)	-	2
Salary and Wages Variance - Year over Year						
Management (including executive)	\$ 509,269	\$ (479,532)	\$ 682,134	\$ (26,821)	\$ 41,890	\$ 102,070
Non-Management (union and non-union)	(40,600)	671,590	(56,743)	(150,775)	720,644	505,460
Total Wages and Salaries Change	468,669	192,058	625,391	(177,597)	762,534	607,530
Benefits Variance						
Management Benefits excluding EFB	146,255	(130,256)	135,756	(2,796)	82,955	27,543
Management Employee Future Benefits	114,823	(68,436)	115,796	15,608	(10,743)	7,035
Management Benefits Total	261,078	(198,692)	251,552	12,812	72,212	34,578
Non-Management Benefits excluding EFB	117,636	1,345	58,539	10,870	191,752	138,443
Non Management EFB Cost	99,598	146,359	(3,510)	34,188	68,392	53,172
Non- Management Total	217,234	147,704	55,029	45,058	260,144	191,615
Total Benefits Change	478,312	(50,988)	306,581	57,870	332,356	226,193
Total Compensation Variance - Year over Year						
Management (including executive)	655,524	(609,788)	817,891	(29,618)	124,845	129,612
Non-Management (union and non-union)	77,036	672,935	1,796	(139,905)	912,396	643,903
Total Change , Year over Year	\$ 946,981	\$ 141,070	\$ 931,973	\$ (119,727)	\$ 1,094,890	\$ 833,722

Figure 4-22 (Continued): FTE & Employee Cost Variances

2009 Board Approved vs. 2009 Actuals – Non-Management EFB Cost

The 2009 Actual Non Management EFB cost was \$688,464 lower than the Board Approved Employee expense. As noted earlier in this exhibit, EFB expense was the primary driver of OM&A cost variances between the 2009 COS OM&A and 2009 Actual. For purposes of this table, EFB expense was allocated between Management and Non-Management. Total EFB expense from the 2009 COS Decision was \$1.83 million compared to the actual for the year of \$906 thousand. The difference of \$924 thousand was due largely to amortization of an actuarial gain during the year, as well as changing interest rates.

2010 Actuals vs. 2009 Actuals

The increase in 2010 Actual wages compared to 2009 Actual wages for Management and Non-Management of \$263 thousand and \$ 729 thousand was due to the general rate increase for the year together with restructuring costs for changes in staffing.

2011 Actuals vs. 2010 Actuals

In 2011 Non- Management wages increased \$485,582 compared to 2010. The increase in 2011 was due to the general increase for the year together with two additional FTE's. As a result of



these changes, together with an increase in Health and Dental Plan costs Non-Management benefit costs increased by \$376,776. The total increase in Health and Dental Plan costs for the year was \$238,604 of which a portion was applicable to the Non-Management group.

Non-Management EFB Costs increased for the year by \$380,790 as the gain recognized in 2009 which caused 2009 to be lower than usual began to reverse.

2011 Actuals vs. 2012 Actuals

2012 represented the first full year under IFRS. At that time the election chosen by ENWIN under IAS 19 was to recognize all actuarial gains/losses through the income statement along with any other actuarial adjustments. That resulted in approximately \$2.7 million in EFB expense being recognized through the income statement. In subsequent years ENWIN followed IAS 19R and made the election to record all actuarial gains/losses through the accumulated other cumulated income account in equity rather than the income statement. This caused an increase in Management EFB expense and Non-Management EFB expense of \$668,200 and \$1,695,053 respectively.

2013 Actuals vs. 2012 Actuals

In 2013 Management Salary was \$472 thousand less than the prior year due staff transition resulting in more people at less than full levels of the pay grids, as well as some restructuring costs in the prior year that were not present in 2013. Non –Management wages were up \$577,133 during the year on additional head count and the annual general wage increase. Management and Non-Management EFB expense was down \$552 thousand and \$1.15 million respectively due to the accounting treatment of the EFB actuarial gain in the prior year as described above.

2014 Actuals vs. 2013 Actuals

Non-Management wages were up \$665 thousand during the year as a result of restructuring charges and the annual inflationary increase for the year. Non-Management benefits increased by \$338 in response to the changes in corresponding wage levels as well as an increase in Health and Dental benefits for all groups in the year of \$200,639.

2015 Actuals vs. 2014 Actuals

The Management wage increase of \$509,269 in 2015 was due primarily to \$460 thousand of restructuring charges recognized in the year.

2016 Actuals vs. 2015 Actuals

In 2016 Management wages were \$479,532 thousand lower than in 2015 due to the absence of the restructuring charge recognized in the prior year. Non-Management wage increased in 2016 by \$671,590 thousand due to an increase in FTE positions of 8.



2017 Actuals vs 2016 Actuals

The \$682,134 increase in Management Salary is due to approximately \$292,010 in one-time restructuring costs was incurred in 2017. The remainder of the variance is inflationary wage increases.

2019 Bridge Year vs. 2018 Forecast

The \$720,644 increase represents a 5.6% increase over the 2018 Forecast. Approximately half of the variance is from the assumed wage increase of 2.25% and the majority of the difference is the impact of vacancies and gapping that occurred in 2018 and not expected to occur in 2019.

2020 Test Year vs. 2019 Bridge Year

The \$505,460 increase represents the assumed 2.25% wage increase assumption and also the addition of two additional FTE journeymen to prepare for pending retirements.

4.5 Shared Services and Corporate Cost Allocation

4.5.1 Overview

The City of Windsor is the only shareholder of Windsor Canada Utilities Ltd. and ENWIN is a wholly owned subsidiary of Windsor Canada Utilities Ltd. Windsor Canada Utilities Ltd. also is the parent of ENWIN Energy Ltd ("Energy"), which is an unregulated business that offers sentinel lighting, street light maintenance and other ancillary services. ENWIN is also considered a related party to the Windsor Utilities Commission ("Commission") as ENWIN has a Water System Operating Agreement ("WSOA") in place where ENWIN operates the production, distribution and administrative functions for the Commission. Figure 4-23 below shows the relationships between the entities.

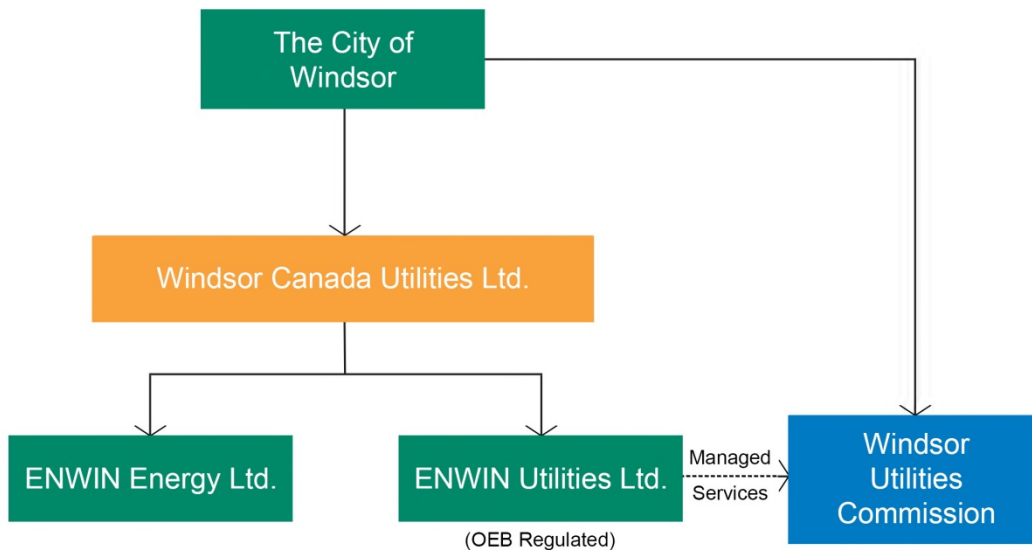


Figure 4-23: Corporate Ownership Structure

Related party transactions with each of the related parties are described below:

- City of Windsor
 - ENWIN provides waste water customer service, billing and collection services on behalf of the City of Windsor.
- Windsor Canada Utilities Ltd.
 - No direct services are offered to the parent company from ENWIN
- ENWIN Energy Ltd.
 - ENWIN provides customer service, billing and collecting, street lighting and sentinel lighting maintenance services on behalf of Energy.
- Windsor Utilities Commission
 - ENWIN provides the management and operation of the water system including District Energy within the City of Windsor. That includes operation of a water treatment plant, transmission and distribution and other administrative functions such as billing and collection of water. More details can be found within the WSOA which is contained within Attachment 4-L.

A copy of the shared service agreements between ENWIN and its affiliates are provided in Attachment 4-M through to 4-O of this Exhibit.

ENWIN's arrangements with these affiliates are subject to the Ontario Energy Board's Affiliate Relationships Code ("ARC"), which is a code prescribed by and issued pursuant to the Ontario Energy Board Act, 1998.

4.5.2 Shared Services to Affiliates

ENWIN offers the following services to its affiliates:

- Human Resources Services



- Financial Services
- Customer Service, Billing and Collection Services for water and waste water
- Purchasing and Inventory
- Fleet and Site maintenance
- Information Technology Services
- Technical Services
- Management Services
- Water production, transmission, distribution, engineering and administrative services related to the Windsor Utilities Commission

Pricing Methodology – shared services

The following Figure 4-24 summarizes the pricing methodologies used by ENWIN to charge shared costs to its affiliates by cost drivers. Where a cost function is shared, a cost driver (allocation factor) is developed. Cost drivers reflect the best understanding of the factors of cost causation or relative sharing of benefits. Cost drivers are reviewed quarterly. This review entails identifying each cost component and identifying the cost driver that best reasonably allocates the cost amongst the affiliates. Please refer to Attachment 4-I Study of Affiliate service Costs and Cost Allocation 2008 (“Study”) performed by BDR North America Inc. (“BDR”) in 2008 to review ENWIN’s approaches to transfer pricing arrangements. An update to this Study was performed in 2012 and can be found in Appendix 4-J Allocation of Costs to Affiliates, Update to 2008 Study (“Study Update”) to update changes since the 2008 Study. ENWIN continues to review and enhance where necessary its pricing methodology.

As confirmed in the Study, ENWIN has set a solid basis for compliance with the transfer pricing requirements of the Affiliate Relationships Code. ENWIN’s allocation model allows cost information from ENWIN’s financial statements to be used in developing cost drivers and the full allocation of costs amongst the affiliates, including a pre-tax rate of return on assets.

After computing the allocation of shared operating expenses, ENWIN assigns an allocation factor to each cost centre and general ledger account within a shared service department which includes an allocation to shared property, plant and equipment assets which results in depreciation and a rate of return being allocated to affiliates. The Affiliate Relationships Code Revised March 15, 2010 section 2.3.4.2 states, “The fully-allocated cost shall include a return on the utility’s invested capital. The return on invested capital shall be no less than the utility’s approved weighted average cost of capital.” ENWIN’s return on assets is reflective of the deemed capital structure and after-tax return on debt and equity.

A working capital allowance was included in the approved 2009 COS which was 1.23%. An internal analysis was performed and it was determined that the utility actually benefited from the working capital it received on behalf of its affiliates and as a result beginning in 2017 is no longer charging the affiliates the working capital charge.



Service Provided	Pricing Methodology in 2017
Human Resources Services	Shared costs within this category include Human Resources, Health & Safety and Service Retiree costs. Human Resource and Health and Safety services are allocated amongst the affiliates based on actual FTE. Service Retiree costs are allocated based on actuarial report provided by the independent Actuary.
Financial Services	Financial services are allocated amongst the affiliates based on the weighted average of finance labour costs and time allocation amongst the affiliates.
Customer Service and Collections	Shared costs within this category include Customer Service, Cashier and Mail Room Costs. Customer Service costs are allocated amongst the affiliates based on the number of bills by service type (i.e. water, hydro or sewer) and departmental time allocation. Cashier costs are allocated based on the number of bills by service type. Mail Room costs are allocated based on number of bills by service type and customer count.
Purchasing and Inventory	Shared costs within this category include Project Management Office ("PMO"), Purchasing and Store costs. PMO costs are allocated amongst the affiliates based on PMO time allocation which is based on actual labour hours. Purchasing costs are allocated based on PO's issued by entity. Store costs are allocated based on number of stockroom issuance and returns to warehouse.
Fleet and Site maintenance	Shared costs within this category include Fleet, Operational Building Facility, and Administrative Building Facility costs. Fleet costs are allocated amongst the affiliates based on vehicle counts. The Operational facility costs are allocated based on floor space and fleet count. The Administrative facility costs are allocated based on floor space.
Information Technology Services	Shared costs within this category include IT and Geomatic costs. IT costs are allocated amongst the affiliates based on technical support such as the number of computers, printers and software required. As well IT costs are allocated based on IT development costs that is related to IT's labour time allocation. Geomatic costs are allocated based on the time allocation of specific employees within the departmental that have shared time amongst the affiliates. A mark-up of 1.23% is applied to the fully allocated cost.
Technical and Customer	Shared costs within this category include Meter Reading Services and Operation Support. Meter Reading costs are allocated amongst the affiliates based on meter counts. Operation Support costs are allocated based on non-work order wages and benefits that are deemed to be related to ENWIN Energy Ltd.
Management Services	Shared costs within this category include Executive Office, Senior Management and Public Relation costs. Executive office costs incur a variety of costs and multiple drivers are used to allocate these costs. These costs may be allocated based on Executive



	time, IT technical support, net book value of assets or floor space. Senior management costs are allocated based on senior management time. CEO office costs are allocated based on FTE and Executive time. Public Relation costs are allocated based on number of bills by service type.
Water production, transmission, distribution, engineering and administrative services for the Windsor Utilities Commission	Per the WSOA discussed above, these costs are isolated and 100% allocated to the Commission.

Figure 4-24: Services Provided Pricing Methodology

A copy of the Board's Appendix 2-N can be found in Attachment 4-K to this Exhibit which provide a summary of the transactions and pricing methodology used to assign costs for 2009 Actuals to 2017 Actuals, 2018 Forecast, 2019 Bridge Year and 2020 Test Year respectively.

4.5.3 Shared Services from Affiliates

ENWIN does not receive services from Affiliates

4.5.4 Reconciliation of Revenue from Affiliates

Figure 4-25 below provides the reconciliation of the revenue from affiliates to Exhibit 3 – Other Revenue.

Item	Source Account	Notes	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual
			\$	\$	\$	\$	\$	\$
	Appendix 2-N	Revenue from providing shared services	12,300,789	14,848,717	14,910,325	15,709,887	21,760,821	24,282,725
Exhibit #3 - Other Revenues	Appendix 2-H	4375 - Revenues from Non-Utility Operations	12,506,800	15,364,811	15,730,173	16,262,591	22,319,943	25,112,317
		Services Provided to Others	(206,010)	(516,094)	(367,173)	(255,466)	(190,623)	(397,414)
		CDM Related	-	-	(452,674)	(297,238)	(368,499)	(432,178)
		Revenue from providing shared services	12,300,789	14,848,717	14,910,325	15,709,887	21,760,821	24,282,725
Difference			-	-	-	-	-	-

Item	Source Account	Notes	2015 Actual	2016 Actual	2017 Actual	2018 Forecast	2019 Bridge Year	2020 Test Year
			\$	\$	\$	\$	\$	\$
	Appendix 2-N	Revenue from providing shared services	24,261,157	24,222,806	22,394,673	23,784,586	23,154,511	22,473,542
Exhibit #3 - Other Revenues	Appendix 2-H	4375 - Revenues from Non-Utility Operations	25,175,906	24,617,951	23,066,217	24,208,435	23,583,937	22,875,054
		Services Provided to Others	(615,442)	(83,663)	(393,463)	(96,433)	(89,412)	(89,412)
		CDM Related	(299,307)	(311,482)	(278,081)	(327,416)	(340,015)	(312,101)
		Revenue from providing shared services	24,261,157	24,222,806	22,394,673	23,784,586	23,154,511	22,473,542
Difference			-	-	-	-	-	-

Figure 4-25: Reconciliation of Shared Services and Other Revenue

4.5.5 Affiliate Board of Director Costs

For the periods 2009 – 2016, ENWIN’s parent company’s (Windsor Canada Utilities Ltd.) Board fees were paid for by ENWIN and then allocated to all affiliates. ENWIN retained a portion of the charges and those charges were recorded in the Uniform System of Accounts (“USoA”) # 4380 Expenses of Non Rate-Regulated Utility Operations. Beginning in the 2017 fiscal year and going forward which includes the 2018 Forecast, 2019 Bridge Year and 2020 Test Year, those Board related costs from the parent company were no longer retained within ENWIN’s income statement. The parent company’s Board of Director expenses are disclosed within Attachment 4-K.

4.5.6 Variance Analysis

Figure 4-26 below identifies variances between the 2009 Board Approved, 2017 Actual and 2020 Test Year for services provided by ENWIN.

Item	2009 Board Approved	2017 Actual	2020 Test Year	2020 Test Year vs. 2009 Board Approved	2020 Test Year vs. 2017 Actual
	\$	\$	\$	\$	\$
Price for the Services Provided	13,959,036	22,394,673	22,473,542	8,514,506	78,868
Costs for the Services Provided	12,152,294	21,684,366	21,861,824	9,709,530	177,457
Net Miscellaneous Revenue	1,806,742	710,307	611,718	- 1,195,024	- 98,589

Figure 4-26: Summary of Affiliate Services and Corporate Cost Allocations

2020 Test Year vs 2009 Board Approved

The two main factors for the increase in Price for services provided from the 2009 Board Approved amount and the 2020 Test Year are: the WSOA and inflation. The addition of direct water production, transmission, distribution, engineering and administrative services is neutral to the electrical utility but the non-utility revenue and costs filed in the USoA 4375 and 4380 accounts significantly increased as a result of the transition.

2020 Test Year vs 2017 Actual

The decline in net miscellaneous revenue between the 2017 Actual Year and the 2020 Test Year is due to the return on asset amount dropping due to the declining net book value of shared service assets.

4.6 Purchase of Non-Affiliate Services

ENWIN purchases services and products from third parties. ENWIN’s Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy outlines authorization levels, requirements and approval levels necessary to appropriately purchase goods and services from suppliers through the use of competitive bids, quotations and awards.



This Policy ensures that all procurement activities within ENWIN adhere to the high legal, ethical and professional standards of both the Supply Chain Management Association's and Ontario Broader Public Sector Supply Chain Code of Ethics.

ENWIN confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 12, 2018, ENWIN has provided a copy of its Purchasing Policy in Attachment 4-P to this Exhibit.

4.7 One Time Costs

With the exception of costs related to the preparation of this Cost of Service Rate Application, including the Distribution System Plan, ENWIN is not proposing to recover any other one-time costs in this Application.

In accordance with the Filing Requirements, forecasted one-time costs pertaining to the Cost of Service Rate Application and the Distribution System Plan development have been listed in OEB Appendix 2-M, together with on-going OEB Cost Assessments.

All anticipated costs associated with the Application have been forecasted in the amount of \$1,135,883. As shown in Figure 4-27 below, ENWIN is proposing that one-time costs be recovered over a period of five years and has therefore included \$227,177 of one-time costs in its 2020 Test Year Revenue Requirement.

Corporate Services Program Rate Application Filing and Hearing Costs							
	2009 Rebasing	2020 Rebasing					
	Last Rebasing Year (2009 Board Approved)	2016 Actual	2017 Actual	2018 Forecast	2019 Bridge	2020 Test	2017 Actuals to 2020 Test
Description							
Expert Witness costs							
Legal costs	\$ 450,000	\$ 12,637	\$ 43,805	\$ 69,135	\$300,000	\$ -	\$ 412,940
Consultants' costs	150,000	115,517	346,826	14,175	100,000	-	461,001
Incremental operating expenses associated with staff resources allocated to this application.	-	-	52,066	-	-	-	52,066
Incremental operating expenses associated with other resources allocated to this application.	18,000		-	-	34,875	-	34,875
Intervenor costs	50,000		-	-	115,000	-	115,000
OEB Section 30 Costs (application-related)	50,000		-	-	60,000	-	60,000
						-	-
							-
Recovery Years	2						5
Discount Rate	5%						0%
Total - One-time Costs	\$ 718,000	\$128,154	\$442,698	\$ 83,310	\$609,875	\$ -	\$1,135,883
Prorated	\$ 386,144						\$ 227,177

Figure 4-27: Rate Application Filing and Application Costs



4.8 Regulatory Costs

The OEB Annual Assessment and OEB Section 30 Costs (OEB-initiated) have been forecast in the 2020 Test Year based on historic actuals. Legal and consulting costs for regulatory matters have also been included in the 2020 Test Year forecast, based on historic actuals and future expected regulatory studies and reassessments. The operating expenses associated with staff and other resources allocated to regulatory matters represent the estimated direct costs associated with the regulatory department forecasted for the 2020 Test Year.

In accordance with the Filing Requirements, these ongoing OEB cost assessments and expenses have been listed in Attachment 4-Q which is also the Board Appendix 2-M, together with one-time costs associated with this Rate Application filing and hearing costs.

4.9 Low Income Energy Assistance Program (LEAP)

Low-Income Energy Assistance Program ("LEAP") is an emergency fund for low-income consumers administered by social agencies. ENWIN contributes the Board recommended 0.12% of its Service Revenue Requirement annually (2017 - \$56,760).

The delivery of LEAP relies heavily on the cooperation between ENWIN and its lead social agency, United Way/Centraide Windsor- Essex County. United Way administers the program using two intake agencies, Unemployed Help Centre of Windsor Inc. & Housing Information Services of Windsor & Essex County Inc.

ENWIN is committed to continuing with this form of financial assistance in the future in order to support the Windsor community and especially our customers in need. In accordance with Filing Guidelines 2.4.3.6, ENWIN has included \$69,800 in the 2020 test year expenses as calculated in Figure 4-28 below. This represents an estimated increase which is in line with the proposed increase to ENWIN's Service Revenue Requirement. ENWIN understands that this value may change based on the final approved Service Revenue Requirement resulting from this Application.

2020 Test Year	
Service Revenue Requirement	\$ 58,246,170
LEAP %	0.12%
LEAP Amount Calculated	\$ 69,895
LEAP Amount Used	\$ 69,800

Figure 4-28: LEAP

ENWIN confirms that the 2020 Test Year does not include any legacy low income energy assistance programs and that the LEAP amount is to be recovered from all rate classes based on the respective distribution revenue of each of those rate classes.



4.10 Charitable Donations

Other than the LEAP charitable donations discussed in Section 4.9 above, ENWIN has not included any other charitable donations in OM&A expenses.

4.11 Political Donations

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

4.12 Depreciation, Amortization and Depletion

4.12.1 Overview

Prior to January 1, 2011, ENWIN's depreciation/amortization policy was based on CGAAP, and guidelines set out by the Board, as applicable. ENWIN converted to IFRS for financial reporting purposes in the 2012 financial statements retroactive to January 1, 2011. As a result of the conversion to IFRS, ENWIN componentized assets and also adjusted the useful lives which were guided by the Kinetrics Report provided by the Board as well as internal assessments of the remaining service lives.

ENWIN confirms that significant components recorded within PP&E are being depreciated separately. Construction in progress assets are not amortized until the project is complete and available for use. ENWIN does not capitalize any interest or costs of borrowing to the cost of the assets constructed as typical life cycle of construction projects are less than one year.

ENWIN's capital assets and capital contributions are amortized on a straight-line basis, when the item is put into service, over the deemed life of the assets. For the purposes of calculating depreciation for this Application, the half-year rule has been applied for all in-service 2019 Bridge Year and 2020 Test Year capital additions and capital contributions in accordance with Section 2.4.4 of the Chapter 2 Board Filing Requirements.

ENWIN's Capitalization Policy is fully described within Exhibit 2.

Figure 4-29 provide a summary by year for 2009 Actual through to 2017 Actual, 2018 Forecast, 2019 Bridge Year and 2020 Test Year respectively of ENWIN's depreciation expense. These tables reflect the Accumulated Depreciation balances in the Fixed Asset Continuity schedule in Exhibit 2, which are consistent with the Board's Appendix 2-BA.



	2009 Actual CGAAP	2010 Actual CGAAP	2011 Actual CGAAP	2011 Actual MIFRS	2012 Actual MIFRS	2013 Actual MIFRS
Computer Software (Formally known as Account 1925)	\$ 364,156	\$ 2,077,131	\$ 3,000,853	\$ 3,000,748	\$ 1,479,667	\$ 1,559,181
Buildings	6,934	\$ 6,253	\$ 6,367	\$ 4,421	\$ 4,412	\$ 4,171
Transformer Station Equipment >50 kV	818,269	\$ 821,734	\$ 821,790	\$ 1,306,629	\$ 1,303,417	\$ 1,289,307
Distribution Station Equipment <50 kV	81,120	\$ 79,196	\$ 79,196	\$ 34,045	\$ 32,696	\$ 32,686
Poles, Towers & Fixtures	3,381,411	\$ 3,470,008	\$ 3,585,577	\$ 1,284,348	\$ 1,390,323	\$ 1,482,000
Underground Conduit	3,165,847	\$ 3,224,680	\$ 3,222,244	\$ 1,219,326	\$ 1,260,777	\$ 1,338,474
Line Transformers	2,638,467	\$ 2,575,589	\$ 2,570,978	\$ 1,079,569	\$ 1,116,468	\$ 1,163,776
Services (Overhead & Underground)	51,386	\$ 102,022	\$ 152,045	\$ 61,448	\$ 85,108	\$ 123,534
Meters	404,743	\$ 406,057	\$ 243,559	\$ 207,099	\$ 207,448	\$ 238,292
Meters (Smart Meters)	-	\$ -	\$ 10	\$ -	\$ 61,344	\$ 48,554
Buildings & Fixtures	446,383	\$ 431,332	\$ 437,268	\$ 857,336	\$ 874,971	\$ 835,064
Leasehold Improvements	-	\$ -	\$ -	\$ -	\$ -	\$ -
Office Furniture & Equipment (10 years)	90,676	\$ 72,191	\$ 66,748	\$ 66,341	\$ 68,937	\$ 64,645
Computer Equip.-Hardware(Post Mar. 22/04)	71,206	\$ 71,206	\$ 28,141	\$ 28,141		\$ -
Computer Equip.-Hardware(Post Mar. 19/07)	182,925	\$ 377,775	\$ 479,170	\$ 473,178	\$ 493,064	\$ 510,328
Transportation Equipment	144,078	\$ 152,887	\$ 153,107	\$ 134,030	\$ 132,739	\$ 131,474
Stores Equipment	1,039	\$ 532	\$ 4,047	\$ 7,523	\$ 10,950	\$ 12,785
Tools, Shop & Garage Equipment	28,924	\$ 25,852	\$ 17,256	\$ 17,227	\$ 18,431	\$ 23,221
Measurement & Testing Equipment	10,535	\$ 10,281	\$ 13,281	\$ 154,058	\$ 167,873	\$ 174,411
Power Operated Equipment	124	\$ 124	\$ 124	\$ 124	\$ 52	\$ -
Communications Equipment	9,179	\$ 49,981	\$ 60,373	\$ 52,891	\$ 60,283	\$ 63,504
Miscellaneous Equipment	211,321	\$ 226,455	\$ 235,438	\$ 218,871	\$ 203,586	\$ 177,079
Contributions & Grants	- 462,612	-\$ 480,269	-\$ 494,345	-\$ 250,678	-\$ 246,711	-\$ 246,711
Property Under Capital Leases	40,077	\$ 25,651	\$ -	\$ -	\$ -	\$ -
Deferred Revenue				\$ -	-\$ 24,118	-\$ 60,605
Sub-Total	\$ 11,686,185	\$ 13,726,668	\$ 14,683,228	\$ 9,956,676	\$ 8,579,027	\$ 8,965,171
Less: Fully Allocated Depreciation						
Transportation	- 144,078	- 152,887	- 153,107	- 134,030	- 132,739	- 131,474
Stores Equipment	- 1,039	- 532	- 4,047	- 7,523	- 10,950	- 12,785
MSA Depreciation	- 608,745	- 1,443,529	- 1,910,692	- 1,910,692	- 1,328,268	- 1,305,924
Net Depreciation	\$ 10,932,324	\$ 12,129,720	\$ 12,615,382	\$ 7,904,430	\$ 7,107,069	\$ 7,514,988

Figure 4-29: Summary of 2009 – 2020 Depreciation



	2014 Actual MIFRS	2015 Actual MIFRS	2016 Actual MIFRS	2017 Actual MIFRS	2018 Forecast MIFRS	2019 Bridge Year MIFRS	2020 Test Year MIFRS
Computer Software (Formally known as Account 1925)	\$ 3,081,952	\$ 3,597,328	\$ 3,857,498	\$ 4,217,074	\$ 4,286,298	\$ 2,833,642	\$ 1,808,063
Buildings	\$ 5,027	\$ 4,790	\$ 4,476	\$ 5,197	\$ 5,970	\$ 6,097	\$ 6,097
Transformer Station Equipment >50 kV	\$ 1,196,183	\$ 1,127,223	\$ 1,133,274	\$ 1,142,395	\$ 1,109,181	\$ 1,046,796	\$ 880,455
Distribution Station Equipment <50 kV	\$ 31,995	\$ 32,084	\$ 32,645	\$ 32,644	\$ 32,645	\$ 32,645	\$ 32,644
Poles, Towers & Fixtures	\$ 1,566,878	\$ 1,689,208	\$ 1,819,648	\$ 1,906,604	\$ 2,309,249	\$ 2,451,209	\$ 2,616,034
Underground Conduit	\$ 1,433,609	\$ 1,585,128	\$ 1,676,184	\$ 1,796,003	\$ 1,867,026	\$ 1,900,641	\$ 1,958,740
Line Transformers	\$ 1,208,595	\$ 1,267,422	\$ 1,322,011	\$ 1,543,162	\$ 1,404,973	\$ 1,470,821	\$ 1,564,179
Services (Overhead & Underground)	\$ 162,143	\$ 189,405	\$ 217,394	\$ 239,613	\$ 262,025	\$ 297,596	\$ 340,136
Meters	\$ 241,887	\$ 241,004	\$ 244,779	\$ 227,702	\$ 230,833	\$ 232,019	\$ 241,319
Meters (Smart Meters)	\$ 2,477,585	\$ 715,493	\$ 733,909	\$ 756,877	\$ 790,281	\$ 844,010	\$ 924,509
Buildings & Fixtures	\$ 848,702	\$ 873,559	\$ 896,018	\$ 912,361	\$ 924,636	\$ 956,911	\$ 721,327
Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,517	\$ 29,033
Office Furniture & Equipment (10 years)	\$ 69,065	\$ 69,397	\$ 70,177	\$ 59,144	\$ 57,607	\$ 62,791	\$ 77,864
Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Equip.-Hardware(Post Mar. 19/07)	\$ 653,042	\$ 428,393	\$ 417,175	\$ 517,462	\$ 559,238	\$ 552,464	\$ 538,887
Transportation Equipment	\$ 130,334	\$ 130,411	\$ 103,985	\$ 61,920	\$ 87,471	\$ 251,760	\$ 499,710
Stores Equipment	\$ 15,336	\$ 16,966	\$ 21,045	\$ 21,623	\$ 23,846	\$ 29,051	\$ 36,171
Tools, Shop & Garage Equipment	\$ 31,168	\$ 37,576	\$ 46,960	\$ 54,730	\$ 58,297	\$ 69,089	\$ 82,998
Measurement & Testing Equipment	\$ 186,359	\$ 140,688	\$ 169,186	\$ 164,296	\$ 198,308	\$ 222,141	\$ 250,808
Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Communications Equipment	\$ 69,640	\$ 69,845	\$ 73,279	\$ 71,352	\$ 36,150	\$ 27,606	\$ 20,089
Miscellaneous Equipment	\$ 355,178	\$ 166,805	\$ 153,314	\$ 137,994	\$ 129,475	\$ 148,035	\$ 166,217
Contributions & Grants	-\$ 246,711	-\$ 246,711	-\$ 246,711	-\$ 246,711	-\$ 246,711	-\$ 246,711	-\$ 246,711
Property Under Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-\$ 96,070	-\$ 221,142	-\$ 273,286	-\$ 321,333	-\$ 366,000	-\$ 423,835	-\$ 512,060
Sub-Total	\$13,421,895	\$11,914,873	\$12,472,959	\$13,300,110	\$13,760,799	\$12,779,291	\$12,036,509
Less: Fully Allocated Depreciation							
Transportation	- 130,334	- 130,411	- 103,985	- 61,920	- 87,471	- 251,760	- 499,710
Stores Equipment	- 15,336	- 16,966	- 21,045	- 21,623	- 23,846	- 29,051	- 36,171
MSA Depreciation	- 1,786,632	- 1,893,604	- 1,981,559	- 2,078,136	- 2,129,038	- 1,640,501	- 1,215,773
Net Depreciation	\$11,489,593	\$ 9,873,892	\$10,366,370	\$11,138,431	\$11,520,443	\$10,857,979	\$10,284,855

Figure 4-29 (Continued): Summary of 2009 – 2020 Depreciation

4.12.2 Asset Retirement Obligation

At this time, ENWIN does not have any Asset Retirement Obligations and therefore no associated depreciation.

4.12.3 Useful Lives and Componentization

The following outlines the depreciation practices and useful lives used by ENWIN in this Application and provide a summary of changes since the last Cost of Service Application.

As part of the transition to IFRS, ENWIN completed a comprehensive review of its Property, Plant & Equipment (“PP&E”) componentization along with the corresponding useful lives for each component. As a result, ENWIN adjusted its service lives with consultation to the April 28, 2010 Asset Amortization Study for the Ontario Energy Board (“Kinetrics Report”). The change in componentization, useful lives and consequently depreciation expense resulted in less depreciation after the conversion to IFRS. The difference between the previous CGAAP and current IFRS depreciation values and capitalization practices have been captured in Account 1575 and further outlined in Exhibit 9 of this Application.

Figure 4-30 below, which is consistent with the Board’s Appendix 2-BB provides a summary of



the service life comparison between ENWIN's selected useful lives and those provided in the Kinetics Report. A copy of the Board's Appendix 2-BB is included in Attachment 4-S to this Exhibit.

		Asset Details		Useful Life			USoA Account Number	USoA Account Description	Current		Outside Range of Min, Max TUL?	
Parent*	#	Category| Component | Type		MIN UL	TUL	MAX UL			Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall	35	45	75	1830	Poles, Towers and Fixtures	45	2%	No	No
	2	Fully Dressed Concrete Poles	Overall	50	60	80	1830	Poles, Towers and Fixtures	50	2%	No	No
		Fully Dressed Composite Poles	Overall	-	-	-	1830	Poles, Towers and Fixtures	80	1%	N/A	N/A
	4	OH Line Switch		30	45	55	1830	Poles, Towers and Fixtures	45	2%	No	No
	8	OH Conductors		50	60	75	1830	Poles, Towers and Fixtures	60	2%	No	No
TS & MS							1855	Services	60	2%	No	No
							1815	Trans. Station Equip-Norm Pri. > 50 kV	45	2%	No	No
	12	Power Transformers	Overall	30	45	60	1820	Dist. Station Equip-Norm Pri.< 50 kV	45	2%	No	No
							1850	Line Transformers	40	3%	No	No
	15	Station DC System	Battery Bank	10	15	15	1815	Trans. Station Equip-Norm Pri. > 50 kV	8	13%	Yes	No
							1820	Dist. Station Equip-Norm Pri.< 50 kV	8	13%	Yes	No
	21	Digital & Numeric Relays		15	20	20	1815	Trans. Station Equip-Norm Pri. > 50 kV	20	5%	No	No
	29	Primary TR XLPE Cables in Duct		35	40	55	1840	Underground Conduit	40	3%	No	No
	31	Secondary Cables Direct Buried		25	35	40	1855	Services	35	3%	No	No
	34	Pad-Mounted Transformers		25	40	45	1850	Line Transformers	40	3%	No	No
UG	35	Submersible/Vault Transformers		25	35	45	1850	Line Transformers	35	3%	No	No
	38	UG Vault Switches		20	35	50	1840	Underground Conduit	30	3%	No	No
	42	Cable Chambers		50	60	80	1840	Underground Conduit	50	2%	No	No
	S	43	Remote SCADA		15	20	30	1945	Measurement and Testing Equipment	15	7%	No	No
	Asset Details			Useful Life Range		USoA Account Number	USoA Account Description	Current		Outside Range of Min, Max TUL?		
#	Category| Component | Type		Years					Rate	Below Min Range	Above Max Range		
1	Office Equipment			5	15	1915	Office Furniture and Equipment	10	10%	No	No	
2	Vehicles	Trucks & Buckets		5	15	1930	Transportation Equipment - Class 6	7	14%	No	No	
					1930	Transportation Equipment - Class 8	10	10%	No	No		
		Trailers			1930	Transportation Equipment - Backhoes	6	17%	No	No		
					1930	Transportation Equipment - Class 7	9	11%	No	No		
					1930	Transportation Equipment - Class 9	15	7%	No	No		
3	Administrative Buildings			50	75	1930	Transportation Equipment - Class 4 & 5	7	14%	No	No	
3	Administrative Buildings			50	75	1908	Buildings and Fixtures	50	2%	No	No	
4	Leasehold Improvements			Lease dependent		1910	Leasehold Improvements	20	5%	No	No	
4	Leasehold Improvements			10	10%	No	No					
5	Station Buildings	Station Buildings		50	75	1910	Leasehold Improvements	10	10%	No	No	
5	Station Buildings	Roof		20	30	1808	Buildings and Fixtures	50	2%	No	No	
						1808	Buildings and Fixtures	20	5%	No	No	
6	Computer Equipment	Hardware		3	5	1908	Buildings and Fixtures	20	5%	No	No	
		Software		2	5	1920	Computer Hardware - 5 years	5	20%	No	No	
6	Computer Equipment	Software		2	5	1920	Computer Hardware - 10 year	10	10%	No	Yes	
						1611	Computer Software - 5 years	5	20%	No	No	
7	Equipment	Power Operated		5	10	1611	Computer Software - 10 years	10	10%	No	Yes	
		Stores		5	10	1950	Power Operated Equipment	10	10%	No	No	
7	Equipment	Tools, Shop, Garage Equipment		5	10	1935	Stores Equipment	10	10%	No	No	
						1930	Transportation Equipment	20	5%	No	Yes	
		Measurement & Testing Equipment		5	10	1940	Tools, Shop and Garage Equipment	10	10%	No	No	
							1960	Miscellaneous Equipment	10	10%	No	No
							1945	Measurement and Testing Equipment	10	10%	No	No
8	Communication	Wireless		2	10	1955	Communication Equipment	8	13%	No	No	
9	Residential Energy Meters			25	35	1860	Meters	25	4%	No	No	
10	Industrial/Commercial Energy Meters			25	35	1860	Meters	25	4%	No	No	
11	Wholesale Energy Meters			15	30	1860	Meters	15	7%	No	No	
13	Smart Meters			5	15	1860	Meters	15	7%	No	No	

Figure 4-30: Service Life Comparison

ENWIN is below the range for Account 1815 Transformer Station Equipment – Normally Primary Above 50kV and Account 1820 Distribution Station Equipment – Normally Primary Above 50kV. More specifically the battery banks have shorter useful lives than stated in the Kinetics Report based on ENWIN's specific experience with those types of batteries.

ENWIN is higher than the range in Accounts 1611 Computer Software; Account 1920 Computer Equipment – Hardware and Account Transportation Equipment. For the Accounts 1611 and



1920, a sub category was established with ENWIN's records to isolate ERP and other very large system investments because the expected service lives on these assets are planned to exceed the TUL. Account 1930 has the Boiler and Chiller in that category and those are expected to last 20 years. Only very specifically identified assets are put into these longer useful life classifications.

All other classifications have useful lives are within the ranges established within the Kinetics Report.

4.12.4 Depreciation Expense

In accordance with the filing requirements, ENWIN has completed depreciation and amortization expense tables in accordance with Board Appendix 2-C: Depreciation and Amortization Expense for the following years:

- 2009 CGAAP, consistent with the Board's Appendix 2-CA. A copy is included in Attachment 4-T to this Exhibit;
- 2010 CGAAP, consistent with the Board's Appendix 2-CB. A copy is included in Attachment 4-U to this Exhibit;
- 2011 CGAAP, consistent with the Board's Appendix 2-CC. A copy is included in Attachment 4-V to this Exhibit;
- 2011 MIFRS, consistent with the Board's Appendix 2-CD. A copy is included in Attachment 4-W to this Exhibit;
- 2012 MIFRS, consistent with the Board's Appendix 2-CE. A copy is included in Attachment 4-X to this Exhibit;
- 2013 MIFRS, consistent with the Board's Appendix 2-CF. A copy is included in Attachment 4-Y to this Exhibit;
- 2014 MIFRS, consistent with the Board's Appendix 2-CG. A copy is included in Attachment 4-Z to this Exhibit;
- 2015 MIFRS, consistent with the Board's Appendix 2-CH. A copy is included in Attachment 4-AA to this Exhibit;
- 2016 MIFRS, consistent with the Board's Appendix 2-CI. A copy is included in Attachment 4-AB to this Exhibit;
- 2017 MIFRS, consistent with the Board's Appendix 2-CJ. A copy is included in Attachment 4-AC to this Exhibit;
- 2018 Forecast under MIFRS, consistent with the Board's Appendix 2-CK. A copy is included in Attachment 4-AD to this Exhibit;
- 2019 Bridge Year under MIFRS, consistent with the Board's Appendix 2-CL. A copy is included in Attachment 4-AE to this Exhibit;
- 2020 Test Year under MIFRS, consistent with the Board's Appendix 2-CM. A copy is included in Attachment 4-AF to this Exhibit;

ENWIN made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and adopted IFRS for financial reporting purposes. ENWIN has completed Chapter 2 Appendix 2-CA to Appendix 2-CM.

4.13 Payment in Lieu of Taxes (PILs) & Property Taxes

4.13.1 PILs

ENWIN makes payments in lieu (“PILs”) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario), as modified by the Electricity Act, 1998, and the related regulations. ENWIN does not pay Section 89 proxy taxes, and is exempt from the payment of income taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. ENWIN is projecting a regulatory taxable income of \$5,753,599 for the 2020 Test Year and therefore has included \$2,074,427 for the recovery of PILs in this Application.

At the time of filing this Application, ENWIN has not filed its 2018 corporate income tax returns. ENWIN has prepared the Board’s Income Tax PILs Work form using the last 2017 Actual Year as the Historical Year within the Work form but has had to combine the Bridge Year within the Board’s Income Tax PILs Work form to include both the 2018 Forecast Year and the 2019 Bridge Year because the model was not able to be adjusted to add a Forecast Year. The amounts presented in the Board’s Income Tax PILs Work form Bridge Year Schedule 1 represent the 2019 Bridge Year however Schedules 4, 8 and 13 have been modified to adjust for the 2018 Forecast Year and 2019 Bridge Year to ensure that the continuity of the schedules were correct. The ending balances within those schedules agree with the calculated balances for the end of the 2019 Bridge Year. Figure 4-31 below is a reconciliation of the 2018 Forecast Year and 2019 Bridge Year CCA and that reconciles to the Board’s Income Tax PILs Work form’s ending Bridge Year balance.

2018									
Class	UCC Beginning of Year	Additions	Disposals	1/2 Year Rule	UCC Available for CCA	CCA Rate	CCA	UCC End of Bridge Year	
1	\$ 101,330,430	\$ 185,500	-\$ 3,088	\$ 91,206	\$ 101,421,636	4%	\$ 4,056,865	\$ 97,455,977	
2	14,544,459	-	-	-	14,544,459	6%	872,668	13,671,791	
8	3,287,587	1,036,245	- 169,328	433,459	3,721,046	20%	744,209	3,410,295	
12	328,516	332,429	-	166,215	494,731	100%	494,731	166,215	
45	681	-	-	-	681	45%	306	375	
47	69,060,616	9,282,088	6,366	4,644,227	73,704,843	8%	5,896,387	72,452,683	
50	1,300,307	697,481	-	348,741	1,649,048	55%	906,976	1,090,812	
14	3,768,108	-	-	-	3,768,108	5%	188,405	3,579,703	
3	1,211,482	-	-	-	1,211,482	5%	60,574	1,150,908	
1b	332,660	-	-	-	332,660	6%	19,960	312,700	
13	-	-	-	-	-	5%	-	-	
	<u>\$ 195,164,846</u>	<u>\$ 11,533,743</u>	<u>-\$ 166,050</u>				<u>\$ 13,241,082</u>	<u>\$ 193,291,457</u>	

Figure 4-31: Reconciliation of 2018 & 2019 CCA to the Bridge Year Income Tax PILs Work form



2019									model end	
Class	UCC Beginning of Year	Additions	Disposals	1/2 Year Rule	UCC Available for CCA	CCA Rate	CCA	UCC End of Bridge Year	UCC Ending balance per PILs model	Difference
1	\$ 97,455,977	\$ 1,973,500	\$ -	\$ 986,750	\$ 98,442,727	4%	\$ 3,937,709	\$ 95,491,767	\$ 95,491,767	\$ -
2	13,671,791	-	-	-	13,671,791	6%	820,308.49	12,851,483	12,851,483	-
8	3,410,295	2,680,186	-	1,340,093	4,750,388	20%	950,078	5,140,403	5,140,404	-
12	166,215	691,526	-	345,763	511,978	100%	511,977.00	345,764	345,764	-
45	375	-	-	-	375	45%	169	206	206	-
47	72,452,683	11,599,000	-	5,799,500	78,252,183	8%	6,260,175	77,791,508	77,791,508	-
50	1,090,812	849,000	-	424,500	1,515,312	55%	833,422	1,106,390	1,106,390	-
14	3,579,703	-	-	-	3,579,703	5%	178,985	3,400,717	3,400,718	-
3	1,150,908	-	-	-	1,150,908	5%	57,545	1,093,363	1,093,363	-
1b	312,700	-	-	-	312,700	6%	18,761.02	293,939	293,939	-
13	-	150,000	-	75,000	75,000	5%	3,750	146,250	146,250	-
	<u>\$ 193,291,457</u>	<u>\$ 17,943,212</u>	<u>\$ -</u>				<u>\$ 13,572,878</u>	<u>\$ 197,661,790</u>	<u>\$ 197,661,790</u>	<u>\$ -</u>

Figure 4-31 (continued): Reconciliation of 2018 & 2019 CCA to the Bridge Year Income Tax PILs Work form

A copy of ENWIN's 2017 Federal and Provincial Income Tax Returns has been provided in Attachment 4-R of this Exhibit. Income tax amounts included in the 2017 audited financial statements are based on estimates and differ from the actual tax return. The difference between actual and estimated tax provision for 2017 is recorded in the 2017 financial statements. In accordance with the Filing Requirements, ENWIN has completed and submitted the Board's Income Tax/PILs Work form model, which is consistent with the PILs included in the 2020 Revenue Requirement.

4.13.2 Tax Adjustments

For the purpose of this Application, ENWIN has included Tax Adjustments to account for significant temporary differences and reserves. The differences include adjustments for the difference between accounting depreciation and Capital Cost Allowance ("CCA") for tax purposes as well as the opening and closing difference for financial statement reserves. Figure 4-32 below outlines ENWIN's calculation for Taxable Income for the 2020 Test Year.



Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	<u>A.</u>	8,907,172

	T2 S1 line #		
Additions:			
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		10,799,612
Charitable donations	112		58,259
Non-deductible meals and entertainment expense	121		29,461
Tax reserves beginning of year	125	<u>T13</u>	1,038,077
Reserves from financial statements- balance at end of year	126	<u>T13</u>	40,930,428
Financing fees deducted in books	216		107,774
Total Additions			52,963,611
Deductions:			
Capital cost allowance from Schedule 8	403	<u>T8</u>	14,090,421
Tax reserves end of year	413	<u>T13</u>	1,038,077
Reserves from financial statements - balance at beginning of year	414	<u>T13</u>	40,930,428
Total Deductions		calculated	56,058,926
NET INCOME FOR TAX PURPOSES		calculated	5,811,858
Charitable donations	311		58,259
REGULATORY TAXABLE INCOME		calculated	5,753,599

Figure 4-32: 2020 Tax Year Taxable Income

4.13.3 Expected 2020 Tax Rates

For the purpose of this Application, ENIWN estimated a combined income tax rate of 26.5% for the 2020 Test Year.

4.13.4 Calculation of Tax Credits

For the purpose of this Application, ENWIN does not currently estimate the realization of any Income Tax Credits.

4.13.5 Non Recoverable and Disallowed Expenses

Other than non-regulated revenues and expenses, ENWIN does not have any non-recoverable or disallowed expenses that are deductible for general tax purposes but would be included in



2020 distribution rates.

4.13.6 Tax Calculation

Please see Figure 4-33 below which details ENWIN's Tax Calculation for the 2020 Test Year.

Regulatory Taxable Income

T1 \$ 5,753,599 A

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ 661,664	11.5%	B
Federal (Max 15%)	15.0%	15.0%	\$ 863,040	15.0%	C

Combined effective tax rate (Max 26.5%)

26.50% D = B + C

Total Income Taxes

\$ 1,524,704 E = A * D

Investment Tax Credits

Miscellaneous Tax Credits

Total Tax Credits

\$ - H = F + G

Corporate PILs/Income Tax Provision for Test Year

\$ 1,524,704 I = E - H

Corporate PILs/Income Tax Provision Gross Up ¹

73.50% J = 1-D

\$ 549,723 K = I/J-I

Income Tax (grossed-up)

\$ 2,074,427 L = K + I

Figure 4-33: 2020 Test Year Tax Calculation

4.13.7 Capital Cost Allowance

Figures 4-34 and 4-35 below demonstrate ENWIN's Capital Cost Allowance continuity schedules for the Bridge and Test Years respectively. As described above and reconciled in Figure 4-31, the 2019 Bridge Year schedule below which is consistent with the Board's Income Tax/PILs Work form model contains both the 2018 Forecast Year and 2019 Bridge Year balances. The schedule has been adjusted to ensure that the ending balance in the model is consistent with the expected results if the model allowed for the Forecast Year.

Schedule 8 CCA - Bridge Year

Class	Class Description	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	\$ 101,330,430.00	\$ 2,159,000	\$ 4,018,839	\$ 99,470,591	\$ -	\$ 99,470,591	4%	\$ 3,978,824	\$ 95,491,767
2	Distribution System - pre 1988	\$ 14,544,459.00	\$ -	\$ 872,669	\$ 13,671,790	\$ -	\$ 13,671,790	6%	\$ 820,307	\$ 12,851,483
8	General Office/Stores Equip	\$ 3,287,587.00	\$ 2,803,480	\$ 927,171	\$ 5,163,896	\$ 938,155	\$ 4,225,742	20%	\$ 845,148	\$ 4,318,748
12	Computer Software	\$ 328,516.00	\$ 1,023,956	\$ 332,429	\$ 1,020,043	\$ 345,764	\$ 674,280	100%	\$ 674,280	\$ 345,764
13.1	Lease # 1	\$ -	\$ 365,330	\$ -	\$ 365,330	\$ 182,665	\$ 182,665	5%	\$ 9,133	\$ 356,197
45	Computers & Systems Software acq'd post Mar 22/04	\$ 681.00	\$ -	\$ 306	\$ 375	\$ -	\$ 375	45%	\$ 169	\$ 206
47	Distribution System - post February 2005	\$ 69,060,616.00	\$ 21,869,930	\$ 6,031,358	\$ 84,899,188	\$ 7,919,286	\$ 76,979,902	8%	\$ 6,158,392	\$ 78,740,796
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 1,300,307.00	\$ 1,546,481	\$ 827,513	\$ 2,019,275	\$ 359,484	\$ 1,659,791	55%	\$ 912,885	\$ 1,106,390
14.1	Eligible Capital Property (acq'd post Jan 1, 2017) ¹	\$ 3,768,108.00	\$ -	\$ 188,405	\$ 3,579,703	\$ -	\$ 3,579,703	5%	\$ 178,985	\$ 3,400,718
3	Buildings	\$ 1,211,482.00	\$ -	\$ 60,574	\$ 1,150,908	\$ -	\$ 1,150,908	5%	\$ 57,545	\$ 1,093,363
1b	Buildings after March 18, 2007	\$ 332,660.00	\$ -	\$ 19,959	\$ 312,701	\$ -	\$ 312,701	6%	\$ 18,762	\$ 293,939
	TOTAL	\$ 195,164,846	\$ 29,768,177	\$ 13,279,223	\$ 211,653,800	\$ 9,745,353	\$ 201,908,447		\$ 13,654,431	\$ 197,999,369

Figure 4-34: 2019 Test Year CCA Continuity Schedule



Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$95,491,767	1,267,500		\$96,759,267	\$ 633,750	\$96,125,517	4%	\$ 3,845,021	\$92,914,247
2	Distribution System - pre 1988	\$12,851,483			\$12,851,483	\$ -	\$12,851,483	6%	\$ 771,089	\$12,080,394
8	General Office/Stores Equip	\$ 5,140,404	2,398,726	-192	\$ 7,538,938	\$1,199,267	\$ 6,339,671	20%	\$1,267,934	\$ 6,271,003
12	Computer Software	\$ 345,764	469,820		\$ 815,584	\$ 234,910	\$ 580,674	100%	\$ 580,674	\$ 234,910
13.1	Lease # 1	\$ 146,250			\$ 146,250	\$ -	\$ 146,250	5%	\$ 7,313	\$ 138,938
45	Computers & Systems Software acq'd post Mar 22/04	\$ 206			\$ 206	\$ -	\$ 206	45%	\$ 93	\$ 113
47	Distribution System - post February 2005	\$77,791,508	12,576,000		\$90,367,508	\$6,288,000	\$84,079,508	8%	\$6,726,361	\$83,641,147
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 1,106,390	735,000		\$ 1,841,390	\$ 367,500	\$ 1,473,890	55%	\$ 810,639	\$ 1,030,750
14.1	Eligible Capital Property (acq'd post Jan 1, 2017) ¹	\$ 3,400,718			\$ 3,400,718	\$ -	\$ 3,400,718	5%	\$ 170,036	\$ 3,230,682
3	Buildings	\$ 1,093,363			\$ 1,093,363	\$ -	\$ 1,093,363	5%	\$ 54,668	\$ 1,038,694
1b	Buildings after March 18, 2007	\$ 293,939		-205,920	\$ 88,019	\$ -	\$ 88,019	6%	\$ 5,281	\$ 82,738

Figure 4-35: 2020 Test Year CCA Continuity Schedule

4.13.8 Integrity Checks

ENWIN has completed the integrity checks for the following information as detailed in the filing requirements:

- The depreciation and amortization added back in this Application's PILs Model agree with the numbers disclosed in Exhibit 2 of this Application;
- The capital additions and deductions in the UCC/CCA Schedule 8 agree with the Exhibit 2 of this Application for historical, forecast, Bridge and Test Years;
- The opening 2018 Forecast UCC at January 1st agrees with the closing December 31st historical year UCC as shown in ENINW's most recent T2 tax return (2017);
- The CCA deductions in this Application's PILs Model for historical, Forecast, Bridge and Test Years agree with the numbers in the UCC schedules for the same years filed in this Application;
- ENWIN does not have any tax loss carry-forwards;
- ENWIN's accounting OPEB amounts added back on Schedule 1 agree with the OM&A analysis for compensation;
- The income tax rate used to calculate the tax expense is consistent with ENWIN's actual tax facts and evidenced filed in this Application.

4.13.9 Property Taxes

ENWIN pays property taxes to the Corporation of the City of Windsor for an Operating Centre, Administrative building as well as substations and transformer stations. In addition, ENWIN makes payments to Ontario Electricity Financial Corporation for "Payments in Lieu of Property Taxes". Property taxes were calculated using the most recent MPAC values.

4.14 Conservation and Demand Management

4.14.1 Background

Conservation and Demand Management (“CDM”) programming was first approved by the Board in 2004, and has been administered by electricity distributors since 2005. Distributor-led CDM programs have since expanded to become an integral part of energy policy in Ontario. On September, 16, 2010 the Board issued the CDM Code for Electricity Distributors (“CDM Code”) to support the 2011-2014 CDM Framework. The CDM Code sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licenses for the 2011-2014 time period. The CDM Code was developed in response to a Directive issued by the Minister of Energy and Infrastructure on March 31, 2010 pursuant to Sections 27.1 and 27.2 of the Ontario Energy Board Act, 1998. Section 12 of said Directive states that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

The Board issued guidelines for electricity distributors (EB-2012-0003 – Guideline for Electricity Distributor Conservation and Demand Management) on April 26, 2012. These guidelines describe the mechanism to capture the “difference between the results of actual verified impacts of authorized CDM activities undertaken by distributors during the 2011-2014 CDM framework and the level of CDM activities included in the distributor’s load forecast”. The guideline also provides direction to distributors on the creation of the LRAMVA and the process to record the lost revenues resulting from CDM activities.

On December 19, 2014, the Board issued further guidelines to electricity distributors (EB-2014-0278 – The Conservation and Demand Management Requirement Guidelines for Electricity Distributors). These guidelines are applicable to for all CDM and related initiatives beginning in 2015 and require electricity distributors to continue to rely on LRAMVA to track and dispose of lost revenues that result from approved CDM programs between 2015 and 2020.

Finally, on May 19, 2016, the Board updated its policy related to lost revenues from peak demand (kW) savings. In the report (EB-2016-0182 – Report of the Board: Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs).

ENWIN calculated the Account 1568 LRAMVA balance for the 2017 program implementation year in accordance with the requirements set out in the above guidelines and report issued by the Board. On March 21, 2019, the Minister of Energy directed the IESO to immediately discontinue the 2015-2020 Conservation First Framework. The IESO has since notified LDCs that they will no longer be providing verified results reporting. As such, ENWIN used unverified results for the purposes of calculating the lost revenues associated with the 2018 program implementation year. For clarity, both net savings and persistence of said savings were calculated using assumptions provided by the IESO, via their monthly Participation & Cost Report.

4.14.2 LRAMVA

The Guideline for Electricity Distributor Conservation and Demand Management (EB-2012-0003) requires that the LRAMVA capture, “at a customer rate-class level, the difference between the following:

- i. The results of actual, verified impacts of authorized CDM activities undertaken by electricity distributors between 2011-2014 for both Board-Approved CDM program and OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or delivered for the distributor by a third party under contract (in the distributor’s franchise area); and
- ii. The level of CDM program activities included in the distributor’s load forecast (i.e. the level embedded into rates)

The LRAM amount is determined by applying, by customer class, the distributor’s Board-approved variable distribution charge applicable to that class to the volumetric variance (positive or negative) described above”.

The guidelines go on to say that “at a minimum, distributors must apply for disposition of the balance in the LRAMVA at the time of their Cost of Service rate applications. Distributors may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of their Incentive Regulation Mechanism rate applications, if the balance is deemed significant by the applicant. The LRAMVA shall not be included in the pre-set disposition threshold calculation in determining materiality for disposition of Group 1 accounts as per the July 31, 2009 Report of the Board: Electricity Distributors’ Deferral and Variance Account Initiative (EB-2008-0046). All requests for disposition of the LRAMVA must be made together with carrying charges.”

Since its last Cost of Service rate application, ENWIN has twice received Board approval to recover LRAM amounts as part of their IRM rate applications. As part of its 2012 IRM rate application (EB-2011-0165), ENWIN was able to recovery lost revenue in the amount of \$853,320.27. This amount represented lost revenues associated with the pre-2011 programs. Specifically, 2005-2010 CDM programs including their persistence up to the end of 2010. For clarity, ENWIN did not request recovery of lost revenue resulting from the persistence of pre-2011 CDM activities or any OEB-approved programs beyond 2010. Also, as part of its 2018 IRM rate application (EB-2017-0037), ENWIN was able to recover lost revenue in the amount of \$3,444,625.00. This amount represented lost revenues associated with CDM programs during the years 2011-2016.

ENWIN has used the most recent input assumptions when calculating LRAM amounts and has utilized the most recent information made available by the IESO.

The amount requested for recovery in this application includes lost revenue that is attributable to the 2017-2018 program implementation years, as well as, the savings that persist from the 2011-2016 programs years in 2016-2018. Also included in this application are the applicable



carrying charges up to December 31, 2019. For clarity, only the carrying charges for the 2017-2018 implementation years have been included. All carrying charges were calculated using simple interest applied to the monthly opening principle balance using the prescribed interest rates approved by the Board.

As outlined in Figure 4-36 below, the balance of Account 1568 - LRAMVA is \$2,771,982 and it is being requested for recovery via rate riders over a 12 month period. The impacts to each rate class are detailed in Figure 4-37.

Customer Class	Billing Unit	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	kWh	\$640,591	\$45,419	\$686,010
General Service < 50 kW	kWh	\$299,050	\$19,843	\$318,892
General Service 50 - 4,999 kW	kW	\$1,291,838	\$72,193	\$1,364,031
General Service 3,000 - 4,999 kW	kW	\$5,737	\$237	\$5,974
Large Use - Regular	kW	\$90,695	\$6,410	\$97,105
Large Use - 3TS	kW	\$283,088	\$17,027	\$300,115
Large Use - Ford Annex	kW	-\$141	-\$5	-\$146
Other	kW	\$0	\$0	\$0
		\$0	\$0	\$0
		\$0	\$0	\$0
		\$0	\$0	\$0
		\$0	\$0	\$0
		\$0	\$0	\$0
		\$0	\$0	\$0
Total		\$2,610,859	\$161,123	\$2,771,982

Figure 4-36: USoA 1568 – LRAMVA Account Balance

Rate Rider Calculation for Accounts 1568

Please indicate the Rate Rider Recovery Period (in months) **12**

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Account 1568 Balance	Rate Rider for Account 1568
RESIDENTIAL	kWh	555,916,913	\$ 686,010	0.0012
GS<50 KW	kWh	195,457,487	\$ 318,892	0.0016
GS>50 - 4,999 KW	kW	2,562,347	\$ 1,370,005	0.5347
LARGE USE REGULAR	kW	542,339	\$ 97,105	0.1790
LARGE USE 3TS	kW	528,993	\$ 299,970	0.5671
STREET LIGHT	# of Customers	24,188	\$ -	-
SENTINEL	# of Customers	512	\$ -	-
UNMETERED SCATTERED LOAD	# of Customers	721	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
		-	\$ -	-
Total			\$ 2,771,982	

Figure 4-37: USoA 1568 – LRAMVA Rate Rider



4.14.3 Calculation of the LRAMVA

The LRAMVA calculation accounts for, at a customer rate class level the difference between actual verified savings received via the IESO's final verified results report to the level of savings (CDM Adjustments) included in the distributor's approved load forecast.

As part of ENWIN's last COS rate application (EB-2008-0227) no forecast or adjustments for the effects of CDM activities were included in the load forecast.

For more information on the rate rider, please refer to Exhibit 9 of this Application.

4.14.4 Savings Used to Calculate LRAMVA

Annually, ENWIN receives their Final Verified Results report from the IESO. This report contains the verified net persistent electricity savings for the current program implementation year, and any adjustments made to prior program implementation years. As previously mentioned in the absence of verified results reporting for the 2018 program implementation year, ENWIN has calculated the lost revenue for 2018 using unverified results and applying net-to-gross ratios and persistence values provided by the IESO, via their Participation & Cost Report.

4.14.5 Allocation of Savings

When allocating savings from individual CDM programs to various rate classes, there are two situations that exist. The first involves CDM programs that are only available to customers who reside in a particular rate class; the second involves CDM programs where eligibility spans multiple rate classes.

In instances where CDM programs are only available to customers who reside in a particular rate class, ENWIN allocated all savings which resulted from said programs to the individual classes.

Where CDM program eligibility spans multiple rate classes, ENWIN reviews each application to determine which rate class each individual project belongs to. ENWIN verifies both the facility address and the account number provided in the project list against the data that resides in their Customer Information System to ensure accuracy in allocating savings. Once the data verification process is complete, a pivot table is created from the data in the project list which can be filtered by program and rate class. The savings (kW or kWh, based on rate class) are then allocated to each rate class based on the percentage of the total savings for the program.

4.14.6 Lost Revenue

ENWIN's rate year does not coincide with the CDM program implementation year (calendar year). Therefore, when calculating the revenue lost resulting from CDM measures implemented, an average volumetric distribution rate must be calculated for each rate class by



year. Figure 4-38 lists ENWIN's Board approved variable distribution rates per rate class. As per EB-2012-0003 – Guideline for Electricity Distributor Conservation and Demand Management, ENWIN did not include any volumetric rate riders or adders that are subject to their own independent true-up process.

	Billing Unit	EB-2009-0221	EB-2010-0079	EB-2011-0165	EB-2012-0120	EB-2014-0156	EB-2014-0069	EB-2015-0066	EB-2016-0067	EB-2017-0037
Rate Year		2010	2011	2012	2013	2014	2015	2016	2017	2018
Period 1 (# months)		4	4	4	4	4	4	4	4	4
Period 2 (# months)		8	8	8	8	8	8	8	8	8
Residential		\$ 0.0199	\$ 0.0200	\$ 0.0201	\$ 0.0202	\$ 0.0204	\$ 0.0206	\$ 0.0157	\$ 0.0106	\$ 0.0053
Rate rider for tax sharing		-\$ 0.0003	-\$ 0.0003	-\$ 0.0003	-\$ 0.0003	-\$ 0.0003	-\$ 0.0003	-\$	-\$	-\$
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ 0.0199	\$ 0.0197	\$ 0.0198	\$ 0.0199	\$ 0.0201	\$ 0.0203	\$ 0.0157	\$ 0.0106	\$ 0.0053
Calendar year equivalent			\$ 0.0198	\$ 0.0198	\$ 0.0199	\$ 0.0200	\$ 0.0202	\$ 0.0172	\$ 0.0123	\$ 0.0071
General Service < 50 kW		\$ 0.0162	\$ 0.0162	\$ 0.0163	\$ 0.0164	\$ 0.0166	\$ 0.0168	\$ 0.0171	\$ 0.0173	\$ 0.0174
Rate rider for tax sharing		-\$ 0.0002	-\$ 0.0002	-\$ 0.0002	-\$ 0.0002	-\$ 0.0002	-\$ 0.0002	-\$ 0.0002	-\$ 0.0002	-\$ 0.0002
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ 0.0162	\$ 0.0160	\$ 0.0161	\$ 0.0162	\$ 0.0164	\$ 0.0166	\$ 0.0169	\$ 0.0171	\$ 0.0172
Calendar year equivalent			\$ 0.0161	\$ 0.0161	\$ 0.0162	\$ 0.0163	\$ 0.0165	\$ 0.0168	\$ 0.0170	\$ 0.0172
General Service 50 - 4,999		\$ 4.7075	\$ 4.6223	\$ 4.6543	\$ 4.6766	\$ 4.7280	\$ 4.7753	\$ 4.8459	\$ 4.9099	\$ 4.9394
Rate rider for tax sharing		-\$ 0.0394	-\$ 0.0485	-\$ 0.0485	-\$ 0.0453	-\$ 0.0453	-\$ 0.0500	-\$ 0.0347	-\$ 0.0356	-\$ 0.0352
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ 4.7075	\$ 4.5835	\$ 4.6058	\$ 4.6313	\$ 4.6827	\$ 4.7253	\$ 4.8122	\$ 4.8743	\$ 4.9042
Calendar year equivalent			\$ 4.6248	\$ 4.5984	\$ 4.6228	\$ 4.6656	\$ 4.7111	\$ 4.7832	\$ 4.8536	\$ 4.8942
General Service 3,000 - 4,999		\$ 1.9306	\$ 1.9341	\$ 1.9473	\$ 1.9566	\$ 1.9781	\$ 1.9979	\$ 2.0279	\$ 2.0543	\$ 2.0666
Rate rider for tax sharing		-\$ 0.0187	-\$ 0.0229	-\$ 0.0214	-\$ 0.0214	-\$ 0.0227	-\$ 0.0173	-\$ 0.0173	-\$ 0.0177	-\$ 0.0174
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ 1.9306	\$ 1.9154	\$ 1.9244	\$ 1.9352	\$ 1.9567	\$ 1.9752	\$ 2.0106	\$ 2.0366	\$ 2.0492
Calendar year equivalent			\$ 1.9205	\$ 1.9214	\$ 1.9316	\$ 1.9495	\$ 1.9690	\$ 1.9988	\$ 2.0279	\$ 2.0450
Large Use - Regular		\$ 2.1824	\$ 2.1863	\$ 2.2012	\$ 2.2118	\$ 2.2361	\$ 2.2585	\$ 2.2924	\$ 2.3222	\$ 2.3361
Rate rider for tax sharing		-\$ 0.0242	-\$ 0.0298	-\$ 0.0278	-\$ 0.0278	-\$ 0.0278	-\$ 0.0294	-\$ 0.0201	-\$ 0.0200	-\$ 0.0194
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ 2.1824	\$ 2.1621	\$ 2.1714	\$ 2.1840	\$ 2.2083	\$ 2.2291	\$ 2.2723	\$ 2.3022	\$ 2.3167
Calendar year equivalent			\$ 2.1689	\$ 2.1683	\$ 2.1798	\$ 2.2002	\$ 2.2222	\$ 2.2579	\$ 2.2922	\$ 2.3119
Large Use - 3TS		\$ 2.7235	\$ 2.7284	\$ 2.7470	\$ 2.7602	\$ 2.7906	\$ 2.8185	\$ 2.8608	\$ 2.8980	\$ 2.9154
Rate rider for tax sharing		-\$ 0.0320	-\$ 0.0395	-\$ 0.0369	-\$ 0.0369	-\$ 0.0369	-\$ 0.0390	-\$ 0.0335	-\$ 0.0361	-\$ 0.0341
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ 2.7235	\$ 2.4074	\$ 2.7075	\$ 2.7233	\$ 2.7537	\$ 2.7795	\$ 2.8273	\$ 2.8619	\$ 2.8813
Calendar year equivalent			\$ 2.5128	\$ 2.6075	\$ 2.7180	\$ 2.7436	\$ 2.7709	\$ 2.8114	\$ 2.8504	\$ 2.8748
Large Use - Ford Annex		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate rider for tax sharing		-\$ 0.0693	-\$ 0.0852	-\$ 0.0796	-\$ 0.0796	-\$ 0.0796	-\$ 0.0842	-\$ 0.0914	-\$ 0.0957	-\$ 0.1060
Rate rider for foregone revenue										
Other										
Adjusted rate		\$ -	-\$ 0.0693	-\$ 0.0852	-\$ 0.0796	-\$ 0.0796	-\$ 0.0842	-\$ 0.0914	-\$ 0.0957	-\$ 0.1060
Calendar year equivalent			\$ 0.0462	\$ 0.0799	\$ 0.0815	\$ 0.0796	\$ 0.0827	\$ 0.0890	\$ 0.0943	\$ 0.1026

Figure 4-38: Variable Distribution Rates by Rate Class

ENWIN's approved rate year runs from May 1st to April 30th. Therefore, to calculate an average volumetric distribution rate, the rates needed to be prorated over a 12-month period to coincide with the program implementation year. To accomplish this, the volumetric distribution rate for the prior year is prorated over a 4-month period (January to April) and added to the volumetric distribution rate for the current year, which is prorated over an 8-month period (May to December). These average volumetric distribution rates can be seen below in Figure 4-39.



Year	Residential	General Service < 50 kW	General Service 50 - 4,999 kW	General Service 3,000 - 4,999 kW	Large Use - Regular	Large Use - 3TS	Large Use - Ford Annex
	kWh	kWh	kW	kW	kW	kW	kW
2011	\$0.0198	\$0.0161	\$4.6248	\$1.9205	\$2.1689	\$2.5128	(\$0.0462)
2012	\$0.0198	\$0.0161	\$4.5984	\$1.9214	\$2.1683	\$2.6075	(\$0.0799)
2013	\$0.0199	\$0.0162	\$4.6228	\$1.9316	\$2.1798	\$2.7180	(\$0.0815)
2014	\$0.0200	\$0.0163	\$4.6656	\$1.9495	\$2.2002	\$2.7436	(\$0.0796)
2015	\$0.0202	\$0.0165	\$4.7111	\$1.9690	\$2.2222	\$2.7709	(\$0.0827)
2016	\$0.0172	\$0.0168	\$4.7832	\$1.9988	\$2.2579	\$2.8114	(\$0.0890)
2017	\$0.0123	\$0.0170	\$4.8536	\$2.0279	\$2.2922	\$2.8504	(\$0.0943)
2018	\$0.0071	\$0.0172	\$4.8942	\$2.0450	\$2.3119	\$2.8748	(\$0.1026)
2019	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
2020	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

Figure 4-39: Average Volumetric Distribution Rates

Once the average volumetric distribution rates are calculated, ENWIN can determine the revenue lost by rate class by applying these rates against the persistent savings which have been allocated by class.

Program	Net Energy Savings (kWh)	Net Demand Savings (kW)	Rate Allocations for LRAMVA								
	2017	2017	Residential	General Service < 50 kW	General Service 50 - 4,999 kW	General Service 3,000 - 4,999 kW	Large Use - Regular	Large Use - 3TS	Large Use - Ford Annex	Other	Total
Legacy Framework			kWh	kWh	kW	kW	kW	kW	kW	kW	
Actual CDM Savings in 2017	34,968,882	5,010	13,924,256	1,634,826	27,177	979	1,283	14,955	0	0	
Forecast CDM Savings in 2017			0	0	0	0	0	0	0	0	
Distribution Rate in 2017			\$0.01230	\$0.01703	\$4.85360	\$2.02793	\$2.29223	\$2.85037	-\$0.09427	\$0.00000	
Lost Revenue in 2017 from 2011 programs			\$20,300.24	\$8,556.82	\$35,320.06	\$0.00	\$9,543.13	\$0.00	\$0.00	\$0.00	\$74,326.24
Lost Revenue in 2017 from 2012 programs			\$22,164.63	\$14,337.47	\$47,420.64	\$33.12	\$7,496.38	\$37,203.14	-\$3.61	\$0.00	\$128,717.83
Lost Revenue in 2017 from 2013 programs			\$28,348.67	\$8,600.05	\$81,591.75	\$0.00	\$12,356.28	\$26,253.05	\$0.00	\$0.00	\$157,155.80
Lost Revenue in 2017 from 2014 programs			\$40,330.32	\$19,593.33	\$81,330.06	\$180.30	\$5,501.38	\$3,576.24	\$0.00	\$0.00	\$151,052.23
Lost Revenue in 2017 from 2015 programs			\$42,128.05	\$45,945.35	\$85,809.55	\$34.80	\$3,866.77	\$10,357.36	\$0.00	\$0.00	\$188,741.89
Lost Revenue in 2017 from 2016 programs			\$30,126.65	\$15,819.52	\$117,230.28	\$73.83	\$238.84	\$20,331.46	\$0.00	\$0.00	\$243,886.59
Lost Revenue in 2017 from 2017 programs			\$171,268.35	\$27,846.54	\$131,904.19	\$1,385.51	\$2,333.85	\$42,626.53	\$0.00	\$0.00	\$378,571.04
Total Lost Revenues in 2017			\$415,267.57	\$140,699.08	\$581,266.54	\$2,373.55	\$41,948.63	\$140,899.86	-\$3.61	\$0.00	\$1,322,451.62
Forecast Lost Revenues in 2017			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LRAMVA in 2017											\$1,322,451.62
2017 Savings Persisting in 2018			10,736,260	1,679,120	29,562	1,048	1,359	14,973	0	0	
2017 Savings Persisting in 2019			10,736,260	1,675,086	29,555	1,046	1,357	14,973	0	0	
2017 Savings Persisting in 2020			10,736,260	1,671,869	29,555	1,046	1,357	14,973	0	0	

Figure 4-40: 2017 Revenue

Program	Net Energy Savings (kWh)	Net Demand Savings (kW)	Rate Allocations for LRAMVA								
	2018	2018	Residential	General Service < 50 kW	General Service 50 - 4,999 kW	General Service 3,000 - 4,999 kW	Large Use - Regular	Large Use - 3TS	Large Use - Ford Annex	Other	Total
Legacy Framework			kWh	kWh	kW	kW	kW	kW	kW	kW	
Actual CDM Savings in 2018	20,125,141	2,670	1,602,888	942,489	23,773	406	2,881	310	1,301	0	
Forecast CDM Savings in 2018			0	0	0	0	0	0	0	0	
Distribution Rate in 2018			\$0.00707	\$0.01717	\$14.89423	\$2.04500	\$2.31187	\$2.87483	-\$0.10257	\$0.00000	
Lost Revenue in 2018 from 2011 programs			\$11,643.74	\$8,618.54	\$36,220.78	\$0.00	\$9,630.92	\$0.00	\$0.00	\$0.00	\$66,113.98
Lost Revenue in 2018 from 2012 programs			\$11,723.73	\$14,129.41	\$46,852.54	\$32.01	\$7,407.93	\$36,863.37	-\$3.85	\$0.00	\$117,065.20
Lost Revenue in 2018 from 2013 programs			\$15,774.92	\$8,509.94	\$80,717.80	\$0.00	\$12,203.06	\$25,931.15	\$0.00	\$0.00	\$143,202.87
Lost Revenue in 2018 from 2014 programs			\$23,038.42	\$19,746.70	\$79,655.79	\$181.81	\$5,548.50	\$3,546.42	\$0.00	\$0.00	\$131,717.65
Lost Revenue in 2018 from 2015 programs			\$24,160.08	\$46,313.62	\$86,556.41	\$35.11	\$3,901.38	\$11,055.80	\$0.00	\$0.00	\$172,022.53
Lost Revenue in 2018 from 2016 programs			\$51,786.17	\$16,028.07	\$119,531.54	\$81.96	\$245.25	\$20,736.37	\$0.00	\$0.00	\$208,463.36
Lost Revenue in 2018 from 2017 programs			\$75,869.57	\$28,624.89	\$144,684.73	\$2,142.36	\$3,142.36	\$43,045.18	\$0.00	\$0.00	\$237,703.09
Lost Revenue in 2018 from 2018 programs			\$11,327.08	\$16,173.39	\$116,352.33	\$823.80	\$6,660.37	\$890.31	-\$133.45	\$0.00	\$152,106.44
Total Lost Revenues in 2018			\$225,323.70	\$158,350.76	\$710,571.93	\$3,363.04	\$48,746.44	\$142,188.60	-\$137.30	\$0.00	\$1,288,407.18
Forecast Lost Revenues in 2018			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LRAMVA in 2018											\$1,288,407.18
2018 Savings Persisting in 2019			1,588,663	906,963	23,772	406	2,881	310	1,301	0	
2018 Savings Persisting in 2020			1,588,450	833,163	23,738	404	2,878	308	1,295	0	

Figure 4-41: 2018 Revenue



ATTACHMENT 4 - A

Summary of Recoverable OM&A Expenses

Board Appendix 2-JA

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

File Number:EB-2019-0032

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Appendix 2-JA

Summary of Recoverable OM&A Expenses

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	2009 Last Rebasings Year Board Approved	2009 Last Rebasings Year Actuals	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$ 2,437,390	\$ 2,428,126	\$ 2,179,670	\$ 2,168,958	\$ 2,215,696	\$ 2,241,488	\$ 2,446,148	\$ 2,648,198	\$ 2,602,508	\$ 7,269,859	\$ 6,882,531	\$ 7,698,671	\$ 7,729,065
Maintenance	\$ 2,871,452	\$ 2,527,893	\$ 2,574,239	\$ 2,083,371	\$ 1,941,200	\$ 1,987,679	\$ 2,014,312	\$ 1,750,044	\$ 2,028,985	\$ 2,487,236	\$ 2,942,835	\$ 3,243,162	\$ 3,174,613
SubTotal	\$ 5,308,842	\$ 4,956,019	\$ 4,753,908	\$ 4,252,329	\$ 4,156,896	\$ 4,229,167	\$ 4,460,460	\$ 4,398,242	\$ 4,631,493	\$ 9,757,095	\$ 9,825,366	\$ 10,941,833	\$ 10,903,678
%Change (year over year)		-6.6%	-4.1%	-10.6%	-2.2%	1.7%	5.5%	-1.4%	5.3%	110.7%	0.7%	11.4%	-0.3%
%Change (Test Year vs Last Rebasings Year - Actual)													120.0%
Billing and Collecting	\$ 1,279,189	\$ 1,265,826	\$ 648,427	\$ 1,277,901	\$ 1,382,908	\$ 1,215,699	\$ 1,559,075	\$ 1,347,818	\$ 1,618,089	\$ 2,472,105	\$ 2,829,545	\$ 3,049,494	\$ 3,122,687
Community Relations	\$ 53,366	\$ 39,117	\$ 53,370	\$ 106,603	\$ 39,925	\$ 48,192	\$ 61,327	\$ 48,725	\$ 55,286	\$ 132,385	\$ 175,829	\$ 182,709	\$ 147,723
Administrative and General	\$ 14,982,471	\$ 13,687,876	\$ 16,002,774	\$ 17,142,682	\$ 20,836,210	\$ 17,520,813	\$ 18,998,119	\$ 19,598,340	\$ 19,803,284	\$ 14,396,981	\$ 14,692,318	\$ 14,599,324	\$ 15,173,728
SubTotal	\$ 16,315,026	\$ 14,992,819	\$ 16,704,571	\$ 18,527,186	\$ 22,259,043	\$ 18,784,704	\$ 20,618,521	\$ 20,994,883	\$ 21,476,660	\$ 17,001,471	\$ 17,697,692	\$ 17,831,527	\$ 18,444,138
%Change (year over year)		-8.1%	11.4%	10.9%	20.1%	-15.6%	9.8%	1.8%	2.3%	-20.8%	4.1%	0.8%	3.4%
%Change (Test Year vs Last Rebasings Year - Actual)													23.0%
Total	\$ 21,623,868	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816
%Change (year over year)		-7.7%	7.6%	6.2%	16.0%	-12.9%	9.0%	1.3%	2.8%	2.5%	2.9%	4.5%	2.0%

Simple average of % variance for all years													3.79%
Compound Annual Growth Rate for all years													3.57%
Compound Annual Growth Rate for all years, 2009 Board Approved													2.82%

	2009 Last Rebasings Year Board Approved	2009 Last Rebasings Year Actuals	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
Operations	\$ 2,437,390	\$ 2,428,126	\$ 2,179,670	\$ 2,168,958	\$ 2,215,696	\$ 2,241,488	\$ 2,446,148	\$ 2,648,198	\$ 2,602,508	\$ 7,269,859	\$ 6,882,531	\$ 7,698,671	\$ 7,729,065
Maintenance	\$ 2,871,452	\$ 2,527,893	\$ 2,574,239	\$ 2,083,371	\$ 1,941,200	\$ 1,987,679	\$ 2,014,312	\$ 1,750,044	\$ 2,028,985	\$ 2,487,236	\$ 2,942,835	\$ 3,243,162	\$ 3,174,613
Billing and Collecting	\$ 1,279,189	\$ 1,265,826	\$ 648,427	\$ 1,277,901	\$ 1,382,908	\$ 1,215,699	\$ 1,559,075	\$ 1,347,818	\$ 1,618,089	\$ 2,472,105	\$ 2,829,545	\$ 3,049,494	\$ 3,122,687
Community Relations	\$ 53,366	\$ 39,117	\$ 53,370	\$ 106,603	\$ 39,925	\$ 48,192	\$ 61,327	\$ 48,725	\$ 55,286	\$ 132,385	\$ 175,829	\$ 182,709	\$ 147,723
Administrative and General	\$ 14,982,471	\$ 13,687,876	\$ 16,002,774	\$ 17,142,682	\$ 20,836,210	\$ 17,520,813	\$ 18,998,119	\$ 19,598,340	\$ 19,803,284	\$ 14,396,981	\$ 14,692,318	\$ 14,599,324	\$ 15,173,728
Total	\$ 21,623,868	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816
%Change (year over year)		-7.7%	7.6%	6.2%	16.0%	-12.9%	9.0%	1.3%	2.8%	2.5%	2.9%	4.5%	2.0%

	2009 Last Rebasings Year Board Approved	2009 Last Rebasings Year Actuals	Variance BA vs. 2009 Actuals	2010 Actuals	Variance 2010 Actuals vs. 2009 Actuals	2011 Actuals	Variance 2011 Actuals vs. 2010 Actuals	2012 Actuals	Variance 2012 Actuals vs. 2011 Actuals	2013 Actuals	Variance 2013 Actuals vs. 2012 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Actuals	Variance 2016 Actuals vs. 2015 Actuals	2017 Actuals	Variance 2017 Actuals vs. 2016 Actuals	2018 Forecast	Variance 2018 Forecast vs. 2017 Actuals	2019 Bridge Year	Variance 2019 Bridge vs. 2018 Forecast	2020 Test Year	Variance 2020 Test vs. 2019 Bridge
Operations	\$ 2,437,390	\$ 2,428,126	\$ 9,264	\$ 2,179,670	\$ (248,456)	\$ 2,168,958	\$ (10,712)	\$ 2,215,696	\$ 46,738	\$ 2,241,488	\$ 25,792	\$ 2,446,148	\$ 204,660	\$ 2,648,198	\$ 202,051	\$ 2,602,508	\$ (45,691)	\$ 7,269,859	\$ 4,667,351	\$ 6,882,531	\$ (387,328)	\$ 7,698,671	\$ 816,140	\$ 7,729,065	\$ 30,394
Maintenance	\$ 2,871,452	\$ 2,527,893	\$ 343,559	\$ 2,574,239	\$ 46,346	\$ 2,083,371	\$ (490,867)	\$ 1,941,200	\$ (142,171)	\$ 1,987,679	\$ 46,479	\$ 2,014,312	\$ 26,633	\$ 1,750,044	\$ (264,268)	\$ 2,028,985	\$ 278,941	\$ 2,487,236	\$ 458,251	\$ 2,942,835	\$ 455,599	\$ 3,243,162	\$ 300,327	\$ 3,174,613	\$ (68,549)
Billing and Collecting	\$ 1,279,189	\$ 1,265,826	\$ 13,363	\$ 648,427	\$ (617,399)	\$ 1,277,901	\$ 629,474	\$ 1,382,908	\$ 105,006	\$ 1,215,699	\$ (167,209)	\$ 1,559,075	\$ 343,376	\$ 1,347,818	\$ (211,257)	\$ 1,618,089	\$ 270,271	\$ 2,472,105	\$ 854,016	\$ 2,829,545	\$ 357,439	\$ 3,049,494	\$ 219,949	\$ 3,122,687	\$ 73,193
Community Relations	\$ 53,366	\$ 39,117	\$ 14,249	\$ 53,370	\$ 14,253	\$ 106,603	\$ 53,233	\$ 39,925	\$ (66,678)	\$ 48,192	\$ 8,267	\$ 61,327	\$ 13,135	\$ 48,725	\$ (12,602)	\$ 55,286	\$ 6,561	\$ 132,385	\$ 77,098	\$ 175,829	\$ 43,444	\$ 182,709	\$ 6,881	\$ 147,723	\$ (34,986)
Administrative and General	\$ 14,982,471	\$ 13,687,876	\$ 1,294,595	\$ 16,002,774	\$ 2,314,898	\$ 17,142,682	\$ 1,139,908	\$ 20,836,210	\$ 3,693,529	\$ 17,520,813	\$ (3,315,397)	\$ 18,998,119	\$ 1,477,306	\$ 19,598,340	\$ 600,221	\$ 19,803,284	\$ 204,945	\$ 14,396,981	\$ (5,406,303)	\$ 14,692,318	\$ 295,337	\$ 14,599,324	\$ (92,994)	\$ 15,173,728	\$ 574,404
Total OM&A Expenses	\$ 21,623,868	\$ 19,948,838	\$ 1,675,030	\$ 21,458,480	\$ 1,509,642	\$ 22,779,515	\$ 1,321,036	\$ 26,415,939	\$ 3,636,423	\$ 23,013,871	\$ (3,402,067)	\$ 25,078,981	\$ 2,065,110	\$ 25,393,125	\$ 314,144	\$ 26,108,153	\$ 715,028	\$ 26,758,566	\$ 650,414	\$ 27,523,058	\$ 764,491	\$ 28,773,361	\$ 1,250,303	\$ 29,347,816	\$ 574,455
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)																									
Total Recoverable OM&A Expenses	\$ 21,623,868	\$ 19,948,838	\$ 1,675,030	\$ 21,458,480	\$ 1,509,642	\$ 22,779,515	\$ 1,321,036	\$ 26,415,939	\$ 3,636,423	\$ 23,013,871	\$ (3,402,067)	\$ 25,078,981	\$ 2,065,110	\$ 25,393,125	\$ 314,144	\$ 26,108,153	\$ 715,028	\$ 26,758,566	\$ 650,414	\$ 27,523,058	\$ 764,491	\$ 28,773,361	\$ 1,250,303	\$ 29,347,816	\$ 574,455
Variance from previous year				\$ 1,509,642		\$ 1,321,036		\$ 3,636,423		\$ (3,402,067)		\$ 2,065,110		\$ 314,144		\$ 715,028		\$ 650,414		\$ 764,491		\$ 1,250,303		\$ 574,455	
Percent change (year over year)				7.6%		6.2%		16.0%		-12.9%		9.0%		1.3%		2.8%		2.5%		2.9%		4.5%		2.0%	
Percent Change:																		9.68%							
Test year vs. Most Current Actual																									
Simple average of % variance for all years																		47.12%						3.8%	
Compound Annual Growth Rate for all years																								3.57%	
Compound Growth Rate (2017 Actuals vs. 2009 Actuals)																		10.28%							

Note:

- 1 Historical actuals going back to the last cost of service application are required to be entered by the applicant.
- 2 Recoverable OM&A that is included on these tables should be identical to the recoverable OM&A that is shown for the corresponding periods on Appendix 2-JB.



ATTACHMENT 4 - B

Overhead Expense

Board Appendix 2-D

File Number: EB-2019-0032
Exhibit: 09/04/2019
Tab: SS
Schedule:
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Date: 15/04/2019

Appendix 2-D Overhead Expense

Applicants are to provide a breakdown of OM&A before capitalization in the below table. OM&A before capitalization may be broken down by cost center, program, drivers or another format best suited to focus on capitalized vs. uncapitalized OM&A.

OM&A Before Capitalization	2009 Historical Year	2010 Historical Year	2011 Historical Year	2012 Historical Year	2013 Historical Year	2014 Historical Year	2015 Historical Year	2016 Historical Year	2017 Historical Year	2018 Forecast	2019 Bridge Year	2020 Test Year
Operational Costs	\$ 2,428,126	\$ 2,179,670	\$ 2,168,958	\$ 2,215,696	\$ 2,241,488	\$ 2,446,148	\$ 2,648,198	\$ 2,602,508	\$ 7,269,859	\$ 6,882,531	\$ 7,698,671	\$ 7,729,065
Maintenance Costs	\$ 2,527,893	\$ 2,574,239	\$ 2,083,371	\$ 1,941,200	\$ 1,987,679	\$ 2,014,312	\$ 1,750,044	\$ 2,028,985	\$ 2,487,236	\$ 2,942,835	\$ 3,243,162	\$ 3,174,613
Billing and Collecting	\$ 1,265,826	\$ 648,427	\$ 1,277,901	\$ 1,382,908	\$ 1,215,699	\$ 1,559,075	\$ 1,347,818	\$ 1,618,089	\$ 2,472,105	\$ 2,829,545	\$ 3,049,494	\$ 3,122,687
Community Relations	\$ 39,117	\$ 53,370	\$ 106,603	\$ 39,925	\$ 48,192	\$ 61,327	\$ 48,725	\$ 55,286	\$ 132,385	\$ 175,829	\$ 182,709	\$ 147,723
Administrative and General	\$ 13,687,876	\$ 16,002,774	\$ 17,142,682	\$ 20,836,210	\$ 17,520,813	\$ 18,998,119	\$ 19,598,340	\$ 19,803,284	\$ 14,396,981	\$ 14,692,318	\$ 14,599,324	\$ 15,173,728
Labour Burden	\$ 1,668,877	\$ 1,884,372	\$ 1,938,645	\$ 1,157,453	\$ 1,417,734	\$ 1,476,562	\$ 1,518,077	\$ 1,437,068	\$ 1,300,197	\$ 1,937,368	\$ 1,800,921	\$ 1,970,480
Material Burden	\$ 1,025,693	\$ 1,315,541	\$ 459,896	\$ 239,109	\$ 260,269	\$ 282,964	\$ 424,417	\$ 218,397	\$ 281,605	\$ 295,264	\$ 555,474	\$ 489,393
Trucking Burden	\$ 813,026	\$ 782,640	\$ 768,389	\$ 464,714	\$ 457,416	\$ 556,541	\$ 577,048	\$ 513,171	\$ 510,484	\$ 580,048	\$ 520,000	\$ 569,684
Total OM&A Before Capitalization (B)	\$ 23,456,434	\$ 25,441,033	\$ 25,946,444	\$ 28,277,215	\$ 25,149,291	\$ 27,395,049	\$ 27,912,667	\$ 28,276,788	\$ 28,850,851	\$ 30,335,737	\$ 31,649,755	\$ 32,377,372

Applicants are to provide a breakdown of capitalized OM&A in the below table. Capitalized OM&A may be broken down using the categories listed in the table below if possible. Otherwise, applicants are to provide its own break down of capitalized OM&A.

Capitalized OM&A	2009 Historical Year	2010 Historical Year	2011 Historical Year	2012 Historical Year	2013 Historical Year	2014 Historical Year	2015 Historical Year	2016 Historical Year	2017 Historical Year	2018 Historical Year	2019 Bridge Year	2020 Test Year	Directly Attributable? (Yes/No)	Explanation for Change in Overhead Capitalized
employee benefits														
costs of site preparation														
initial delivery and handling costs														
costs of testing whether the asset is functioning properly														
professional fees														
costs of opening a new facility														
costs of introducing a new product or service (including costs of advertising and promotional activities)														
costs of conducting business in a new location or with a new class of customer (including costs of staff training)														
administration and other general overhead costs														
Labour Burden	\$ 1,668,877	\$ 1,884,372	\$ 1,938,645	\$ 1,157,453	\$ 1,417,734	\$ 1,476,562	\$ 1,518,077	\$ 1,437,068	\$ 1,300,197	\$ 1,937,368	\$ 1,800,921	\$ 1,970,480	Yes	Change from CGAAP to IFRS in 2012. Removed all indirect costs
Material Burden	\$ 1,025,693	\$ 1,315,541	\$ 459,896	\$ 239,109	\$ 260,269	\$ 282,964	\$ 424,417	\$ 218,397	\$ 281,605	\$ 295,264	\$ 555,474	\$ 489,393	Yes	Change from CGAAP to IFRS in 2012. Removed all indirect costs
Trucking Burden	\$ 813,026	\$ 782,640	\$ 768,389	\$ 464,714	\$ 457,416	\$ 556,541	\$ 577,048	\$ 513,171	\$ 510,484	\$ 580,048	\$ 520,000	\$ 569,684	Yes	Change from CGAAP to IFRS in 2012. Removed all indirect costs
Total Capitalized OM&A (A)	\$ 3,507,596	\$ 3,982,553	\$ 3,166,929	\$ 1,861,276	\$ 2,135,420	\$ 2,316,068	\$ 2,519,542	\$ 2,166,635	\$ 2,092,285	\$ 2,812,679	\$ 2,876,394	\$ 3,029,557		
% of Capitalized OM&A (=A/B)	15%	16%	12%	7%	8%	8%	9%	8%	7%	9%	9%	9%		



ATTACHMENT 4 - C

Recoverable OM&A Cost Driver Table

Board Appendix 2-JB

Appendix 2-JB
Recoverable OM&A Cost Driver Table^{1,3}

OM&A	Last Rebasing Year (2009 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
<i>Reporting Basis</i>	<i>CGAAP</i>	<i>CGAAP</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>
Opening Balance²	\$ 21,623,868	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361
Cost Driver # 1 Operations											
Operating portion of wages and benefits	193,802	810,205	130,443	-1,782,511	779,039	519,355	424,168	726,014	-165,057	-32,200	162,804
IFRS Change in Burden Rates - Rate			1,401,664	258,829	262,699	153,725	-320,656	22,671	206,443	175,033	34,829
Information Systems	-209,884	-204,759	-202,569	75,091	152,299	155,431		207,438	-253,818	373,144	37,852
Outside Services	-232,224	-76,786	174,996	162,257	-112,162	82,775	151,916	-468,694	204,685	231,589	-188,418
Materials	-19,926	-109,722	-175,216		137,863			44,366	94,184	-72,386	
Property expenses	-38,799		-102,121	73,535	101,436		-99,547	170,471			146,698
Employee Future Benefits	-923,824	518,317	2,363,254	-1,708,517	-51,595	214,421	77,923	112,286	49,796	57,649	60,207
Bad Debt	-68,170	540,196	-87,196	110,099	318,986	-244,869	239,787	-483,657	116,041	153,640	12,928
Office Supplies, Insurance and Misc.	-73,737		-114,052		363,504			199,194			-100,924
Professional Fees and Consulting	186,723	-157,186	111,639	-401,533	-184,712			-55,042	278,228		177,631
Billing and Metering outside services	30,792	94,491	-40,154	-50,552	26,890	22,827	35,934			151,737	16,742
Smart Meter Contra					452,120	-452,162					
Vehicle expenses	-325,348		379,950	61,680		-99,780		95,519			
Other immaterial items	(194,434)	(93,722)	(204,213)	(200,447)	(181,258)	(37,578)	205,503	79,846	233,991	212,097	214,105
Closing Balance²	\$ 19,948,838	\$ 22,779,515	\$ 26,415,939	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816

Notes:

- For each year, a detailed explanation for each cost driver and associated amount is required in Exhibit 4.
- Opening Balance for "Last Rebasing Year" (cell B15) should be equal to the Board-Approved amount. For purposes of assessing incremental cost drivers, the closing balance for each year becomes the opening balance for the next year.
- If it has been more than four years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than four years ago, a minimum of three years of actual information is required.



ATTACHMENT 4 - D

Recoverable OM&A Cost per Customer and per FTE

Board Appendix 2-L

Appendix 2-L
Recoverable OM&A Cost per Customer and per FTE ¹

	Last Rebasing Year - 2009- Board Approved	Last Rebasing Year - 2009- Actual	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OM&A Costs													
O&M	\$ 5,308,842	\$ 4,956,019	\$ 4,753,908	\$ 4,252,329	\$ 4,156,896	\$ 4,229,167	\$ 4,460,460	\$ 4,398,242	\$ 4,631,493	\$ 9,757,095	\$ 9,825,366	\$ 10,941,833	\$ 10,903,678
Admin Expenses	\$ 16,315,026	\$ 14,992,819	\$ 16,704,571	\$ 18,527,186	\$ 22,259,043	\$ 18,784,704	\$ 20,618,521	\$ 20,994,883	\$ 21,476,660	\$ 17,001,471	\$ 17,697,692	\$ 17,831,527	\$ 18,444,138
Total Recoverable OM&A from Appendix 2-JB ⁵	\$ 21,623,868	\$ 19,948,838	\$ 21,458,480	\$ 22,779,515	\$ 26,415,939	\$ 23,013,871	\$ 25,078,981	\$ 25,393,125	\$ 26,108,153	\$ 26,758,566	\$ 27,523,058	\$ 28,773,361	\$ 29,347,816
Number of Customers ^{2,4}	84,532	84,578	84,754	84,884	85,213	85,589	86,185	86,616	87,149	87,697	88,032	88,369	88,707
Number of FTEs ^{3,4}	200	195	192	193	196	198	190	189	198	198	195	195	197
Customers/FTEs	422.66	433.73	441.43	439.81	434.76	432.27	453.60	458.28	440.14	442.91	451.45	453.17	450.29
OM&A cost per customer													
O&M per customer	62.80	58.60	56.09	50.10	48.78	49.41	51.75	50.78	53.14	111.26	111.61	123.82	122.92
Admin per customer	193.00	177.27	197.09	218.26	261.22	219.48	239.24	242.39	246.44	193.87	201.04	201.79	207.92
Total OM&A per customer	255.81	235.86	253.18	268.36	310.00	268.89	290.99	293.17	299.58	305.13	312.65	325.61	330.84
OM&A cost per FTE													
O&M per FTE	26,544	25,415	24,760	22,033	21,209	21,359	23,476	23,271	23,391	49,278	50,386	56,112	55,349
Admin per FTE	81,575	76,886	87,003	95,996	113,567	94,872	108,519	111,084	108,468	85,866	90,757	91,444	93,625
Total OM&A per FTE	108,119	102,302	111,763	118,029	134,775	116,232	131,995	134,355	131,859	135,144	141,144	147,556	148,974

Notes:

- 1 If it has been more than four years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than four years ago, a minimum of three years of actual information is required.
- 2 The method of calculating the number of customers must be identified. Should correspond with data provided in Appendix 2-IB.
- 3 The method of calculating the number of FTEs must be identified. See also Appendix 2-K.
- 4 The number of customers and the number of FTEs should correspond to mid-year or average of January 1 and December 31 figures.
- 5 For the test year, the applicant should take into account the system O&M (line 22 of Appendix 2-AB) in developing its forecasted OM&A.



ATTACHMENT 4 - E

OM&A Programs Table

Board Appendix 2-JC

Appendix 2-JC
OM&A Programs Table

Programs	Last Rebasing Year (2009 Board- Approved)	Last Rebasing Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year	Variance (Test Year vs. 2017 Actuals)	Variance (Test Year vs. Last Rebasing Year (2009 Board- Approved)
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	
Customer Focus															
Community Relations	110,102	78,440	83,793	144,511	82,962	92,395	103,680	74,610	108,254	132,385	175,829	182,709	147,723	15,338	37,621
Bad Debt	692,732	624,562	(16,622)	523,574	436,378	546,478	865,464	620,595	860,382	376,725	492,766	646,406	659,334	282,610	-33,398
Customer Service & Billings	1,832,667	1,768,165	1,959,211	2,029,031	2,026,886	2,006,087	2,172,784	1,963,237	2,044,107	1,993,014	2,234,993	2,300,623	2,358,932	365,918	526,265
Customer Collections	75,231	98,257	92,199	88,909	322,041	97,439	100,342	109,389	106,250	102,367	101,786	102,465	104,421	2,054	29,190
														0	0
Sub-Total	2,710,733	2,569,424	2,118,581	2,786,025	2,868,267	2,742,398	3,242,271	2,767,830	3,118,993	2,604,490	3,005,373	3,232,204	3,270,410	665,920	559,678
Operations and Maintenance															
Storms	123,103	110,713	77,525	224,349	121,241	99,301	164,101	108,270	75,101	137,384	183,054	188,843	183,357	45,973	60,254
Overhead Operations and Maintenance	2,018,516	1,995,873	2,246,390	2,629,634	2,829,957	2,719,043	2,515,795	2,397,161	2,536,458	2,618,415	2,630,298	2,837,965	2,765,018	146,603	746,502
Underground Operations and Maintenance	1,292,342	1,178,333	1,427,703	1,635,237	1,833,641	1,592,559	1,494,610	1,631,981	1,638,526	1,349,702	1,440,009	1,541,715	1,536,762	187,060	244,420
Station and MTS Maintenance	404,418	407,809	466,156	440,590	448,171	377,049	338,337	555,433	651,402	289,637	347,036	419,660	432,304	142,667	27,886
Tree Trimming Maintenance	859,538	782,442	906,480	790,960	988,323	1,090,091	880,463	875,405	1,081,838	867,897	1,081,488	1,149,968	1,093,783	225,885	234,245
Transformer Operations and Maintenance	412,758	337,869	372,075	311,922	271,208	232,627	231,878	215,532	208,325	203,552	204,148	215,256	218,057	14,505	-194,701
Load Dispatching (SCADA)	303,365	331,494	324,080	345,230	437,341	438,196	407,905	368,110	406,951	398,550	281,267	483,614	482,793	84,243	179,427
Meter Operations	434,284	660,538	744,097	439,678	698,906	588,845	813,580	739,257	766,514	651,911	456,041	605,995	583,827	-68,084	149,542
Control Room Operations	947,339	894,430	849,714	938,461	983,256	1,079,689	1,131,637	1,154,896	1,385,657	1,491,309	1,490,833	1,441,601	1,494,972	3,664	547,633
Engineering	1,104,155	1,111,794	1,366,785	1,451,830	1,210,348	963,062	1,303,971	1,354,788	1,547,699	1,648,006	1,570,958	1,731,900	1,789,953	141,946	685,798
Health and Safety Program	185,867	203,242	176,515	172,469	169,966	171,379	183,625	197,561	205,407	176,443	241,482	392,591	367,579	191,136	181,711
														0	0
Sub-Total	8,085,686	8,014,535	8,957,519	9,380,359	9,992,358	9,351,841	9,465,902	9,598,395	10,503,878	9,832,805	9,926,615	11,009,108	10,948,403	1,115,598	2,862,717
Administrative and General															
General Plant and Vehicles	1,489,391	1,021,184	1,328,566	1,265,682	1,800,676	1,885,785	2,026,254	1,914,120	1,857,215	2,229,136	2,237,662	1,760,088	1,906,786	-322,350	417,395
Insurance	367,080	489,219	337,321	368,931	367,957	381,526	403,031	434,110	466,505	449,340	467,832	479,189	488,773	39,433	121,693
Information Systems	1,027,972	818,087	1,475,388	1,270,629	1,068,060	1,143,151	1,295,451	1,450,882	1,438,155	1,645,594	1,391,776	1,764,920	1,802,772	157,178	774,800
Post employment costs (EFB)	1,829,697	905,873	1,367,178	1,885,496	4,248,749	2,540,232	2,488,637	2,703,058	2,780,981	2,893,267	2,943,063	3,000,712	3,060,919	167,652	1,231,222
Administrative & Human Resource Expenses	4,713,715	4,597,313	4,423,570	4,403,674	4,774,067	3,773,297	4,890,126	5,277,936	4,871,197	6,189,004	6,259,832	6,316,858	6,545,999	356,995	1,832,284
Sub-Total	9,427,855	7,831,676	8,932,023	9,194,411	12,259,509	9,723,992	11,103,499	11,780,106	11,414,054	13,406,340	13,300,163	13,321,767	13,805,249	398,908	4,377,394
Public and Regulatory Responsiveness															
Regulatory Affairs	534,992	332,484	223,360	239,258	258,509	233,882	225,722	230,109	320,700	308,481	331,671	261,897	304,374	-4,107	-230,618
Audit, Legal and Consulting	788,882	1,091,236	1,106,683	1,020,897	862,099	785,644	850,828	862,885	690,518	505,717	819,002	823,069	896,526	390,809	107,644
														0	0
														0	0
Sub-Total	1,323,875	1,423,720	1,330,043	1,260,156	1,120,607	1,019,526	1,076,551	1,092,994	1,011,219	814,198	1,150,673	1,084,966	1,200,900	386,702	-122,975
Miscellaneous	75,720	109,482	120,314	158,565	175,197	176,114	190,758	153,799	60,009	100,733	140,234	125,317	122,854	22,121	47,134
Total	21,623,868	19,948,838	21,458,480	22,779,515	26,415,939	23,013,871	25,078,981	25,393,125	26,108,153	26,758,566	27,523,058	28,773,361	29,347,816	2,589,250	7,723,948

Notes:

- Please provide a breakdown of the major components of each OM&A Program undertaken in each year. Please ensure that all Programs below the materiality threshold are included in the miscellaneous line. Add more Programs as required.
- The applicant should group projects appropriately and avoid presentations that result in classification of significant components of the OM&A budget in the miscellaneous category



ATTACHMENT 4 – F.1

ENWIN Employee Benefit Booklet – IBEW Hydro

MY BENEFIT PLAN BOOKLET

ENWIN Utilities

Powerline, Union

Billing Division: 19447

Revised Effective Date: January 1, 2016

Services shown below will be eligible if they are usual, reasonable and customary, and are medically necessary for the treatment of an illness or injury. Please contact your benefits administrator or Green Shield Canada (GSC) Customer Service Centre at 1.888.711.1119 to determine benefit eligibility and coverage details. All claims must be received by GSC no later than 12 months from the date the eligible service was incurred.

Co-insurance means the percentage of the eligible amount that you are entitled to receive after satisfaction of the deductible.

Co-payment means the amount that you are required to pay.

TERMINATION

Your coverage will end on the earliest of the following dates:

- a) the date your employment ends;
- b) the date you are no longer actively working;
- c) the end of the period for which rates have been paid to GSC for your coverage; or
- d) the date the group contract terminates.

PRESCRIPTION DRUGS

- Your overall maximum is Unlimited
- A co-payment of \$5 applies to each prescription
- Ontario residents only: The Ontario Drug Benefit co-pay/deductible for seniors **is** a benefit
- Mandatory generic drug substitution applies
- Quebec residents only: Legislation states that GSC is obligated to follow RAMQ reimbursement guidelines for all residents of Quebec. For those 65 years of age and under, GSC is primary payer.

Prescription drug benefits are eligible if they:

- a) are prescribed by a legally qualified medical practitioner or dental practitioner as permitted by law; and
- b) legally require a prescription and have a Drug Identification Number (DIN).

If approved by GSC, this plan includes drugs with a Drug Identification Number (DIN) that do not legally require a prescription, including insulin and all other approved injectables, as well as related supplies such as diabetic syringes, needles and testing agents. In addition, this plan includes all vaccines.

Benefits do not include smoking cessation products (other than smoking cessation oral drugs).

EXTENDED HEALTH SERVICES

- Your deductible is Nil
- Your overall maximum is Unlimited
- Stated maximums are expressed in Canadian dollars
- Your co-insurance for Extended Health Services is 100%

Emergency Transportation

Ambulance Transportation, for land or air ambulance to the nearest hospital equipped to provide the required treatment, up to a maximum of \$100 per trip.

Accidental Dental

Accidental Dental benefits for treatment by a dentist. A dental accident report form must be submitted immediately following the accident.

Hospital Accommodation

- Semi-Private Room in a public general hospital
- Private Room in a public general hospital, up to a lifetime maximum of \$1,000

Long-Term Care (LTC) Facility

Reimbursement of up to \$10,000 per lifetime. Prior approval is necessary.

Audio

Reimbursement will be made for the acquisition cost of the standard hearing aid by the provider, plus the pre-determined dispensing fee, once every 3 years. Batteries are not eligible.

Medical Items

Standard Prosthetic Appliances and Durable Medical Equipment as well as replacements, repairs, fittings and adjustments of such devices. Contact the Customer Service Centre to verify eligibility of a particular benefit.

Private Duty Nursing in the Home

Private duty nursing benefits carry a lifetime maximum of \$10,000 for the services of a Registered Nurse in the home on a shift basis.

Professional Services

- Physiotherapist: reasonable and customary charges for services
- Psychologist: \$35 for the first visit and \$20 per hour for each subsequent visit, up to a maximum of \$200 per calendar year
- Chiropractor and Registered Massage Therapist (medical referral required): up to a combined maximum of \$800 per calendar year
- Osteopath or Podiatrist/Chiropodist: up to a maximum of \$300 per practitioner per calendar year
- Speech Therapist: up to a maximum of \$200 per calendar year

NOTE:

- Podiatry services are eligible in coordination with your Ontario health insurance plan
- Professional Services are only eligible when the practitioner rendering the service is a member in good standing with their provincial regulatory agency or an active member of a professional association, either of which must be recognized by GSC. Please contact the GSC Customer Service Centre to confirm eligibility when in doubt

Vision

- Your Vision benefit carries a maximum of \$350 every 24 months for prescription eye glasses or contact lenses, or medically necessary contact lenses, or laser eye surgery, provided they are dispensed by an Optometrist, an Optician or an Ophthalmologist

Commencement of your benefit period is based on the initial date you receive vision benefits. This is the date of service (**payment in full**) of the eyewear.

Eye examinations performed by a registered, licensed Optometrist or Physician limited to one exam every 24 months, up to a maximum of \$85 (available only where eye examinations are not covered by the Provincial Health Insurance Plan).

TRAVEL

- Travel benefits are eligible for the first **180** days per trip
- Your maximum is \$1,000,000 per covered person per calendar year for Emergency Services and \$50,000 per calendar year for Referral Services
- Hospital and medical services are eligible only if your provincial health insurance plan provides payment toward the cost of incurred services
- Deductible and co-payments do not apply to Travel

Expenses arising as a result of a medical emergency while you or an eligible dependent are temporarily outside of your regular province of residence for vacation, business, or education will be considered eligible under the Travel benefit.

To qualify for benefits, the claimants must be covered by their respective provincial government health plan or equivalent at the time the expenses are incurred.

Eligible travel benefits will be considered based on the reasonable and customary charges in the area where they were received, less the amount payable by your provincial health insurance plan.

All dollar maximums and limitations are stated in Canadian currency. Reimbursement will be made in Canadian funds or U.S. funds for both providers and plan members, based on the country of the payee. For payments that require currency conversion, the rate of exchange used will be the rate in effect on the date of service of the claim.

Upon notification of the necessity for treatment of an accidental injury or medical emergency, **the patient must contact GSC Travel Assistance within 48 hours of commencement of treatment.**

Emergency means a sudden, unexpected injury, illness or acute episode of disease that requires immediate medical attention **and could not have been reasonably anticipated based upon the patient's prior medical condition.** This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

Any invasive or investigative procedures must be pre-approved by GSC Assistance Medical Team.

Eligible benefits are limited to the maximum days per trip as shown above commencing with the date of departure from your province of residence. If you are hospitalized on the last day shown above, your benefits will be extended until the date of discharge.

1. **Hospital services and accommodation** up to a standard ward rate in a public general hospital;
2. **Medical/surgical services** rendered by a legally qualified physician or surgeon to relieve the symptoms of, or to cure an unforeseen illness or injury;
3. **Emergency Transportation**
 - **Land ambulance** to the nearest qualified medical facility
 - **Air ambulance** - the cost of air evacuation (including a medical attendant when necessary) between hospitals and for hospital admission into Canada when approved in advance by your provincial health insurance plan or to the nearest qualified medical facility

4. **Referral services** – (a) hospital services and accommodation, up to a standard ward rate in a public general hospital, and/or (b) medical surgical services rendered by a legally qualified physician or surgeon;
 - **Prior to the commencement of any referral treatment, written pre-authorization** from your provincial health insurance plan and GSC **must be obtained**. Your provincial health insurance plan may cover this referral benefit entirely. You must provide GSC with a letter from your attending physician stating the reason for the referral, and a letter from your provincial health insurance plan outlining their liability. **Failure to comply in obtaining pre-authorization will result in non-payment**
5. **Services of a registered private nurse** up to a maximum of \$5,000 per calendar year, at the reasonable and customary rate charged by a qualified nurse (R.N.) registered in the jurisdiction in which treatment is provided. You must contact GSC Travel Assistance for pre-approval;
6. **Diagnostic laboratory tests and X-rays** when prescribed by the attending physician. Except in emergency situations, GSC Travel Assistance must pre-approve these services (i.e. cardiac catheterization or angiogram, angioplasty and bypass surgery);
7. **Reimbursement of prescriptions** for drugs, serums and injectables which require a prescription by law and are prescribed by a legally qualified medical practitioner (vitamins, patent and proprietary drugs are excluded). Submit to GSC Travel Assistance the original paid receipt from the pharmacist, physician or hospital outside your province of residence showing the name of the prescribing physician, prescription number, name of preparation, date, quantity and total cost;
8. **Medical appliances** including casts, crutches, canes, slings, splints and/or the temporary rental of a wheelchair when deemed medically necessary and required due to an accident which occurs, and when the devices are obtained outside your province of residence;
9. **Treatment by a dentist** only when required due to a direct accidental blow to the mouth up to a maximum of \$2,000. Treatments (prior to and after return) must be provided within 90 days of the accident. Details of the accident must be provided to GSC Travel Assistance along with dental X-rays;
10. **Coming Home** - when your emergency illness or injury is such that:
 - GSC Assistance Medical Team specifies in writing that you should immediately return to your province of residence for immediate medical attention, reimbursement will be made for the extra cost incurred for the purchase of a one way economy airfare, plus the additional economy airfare if required to accommodate a stretcher, to return you by the most direct route to the major air terminal nearest the departure point in your province of residence

This benefit assumes that you are not holding a valid open-return air ticket. Charges for upgrading, departure taxes, cancellation penalties or airfares for accompanying family members or friends are not included;

 - GSC Assistance Medical Team or commercial airline stipulates in writing that you must be accompanied by a qualified medical attendant, reimbursement will be made for the cost incurred for one round trip economy airfare and the reasonable and customary fee charged by a medical attendant who is not your relative by birth, adoption or marriage and is registered in the jurisdiction in which treatment is provided, plus overnight hotel and meal expenses if required by the attendant

- 11. Cost of returning your personal use motor vehicle** to your residence or nearest appropriate vehicle rental agency when you are unable to do so due to sickness, physical injury or death, up to a maximum of \$1,000 per trip. We require original receipts for costs incurred, i.e. gasoline, accommodation and airfares;
- 12. Meals and accommodation** up to \$1,500 (maximum of \$150 per day for up to 10 days) will be reimbursed for the extra costs of commercial hotel accommodation and meals incurred by you when you remain with a travelling companion or a person included in the "family" coverage, when the trip is delayed or interrupted due to an illness, accidental injury to or death of a travelling companion. This must be verified in writing by the attending legally qualified physician or surgeon and supported with original receipts from commercial organization;
- 13. Transportation to the bedside** including round trip economy airfare by the most direct route from your province of residence, for any one spouse, parent, child, brother or sister, and up to \$150 per day for a maximum of 5 days for meals and accommodation at a commercial establishment will be paid for that family member to:
- be with you or your covered dependent when confined in hospital. This benefit requires that the covered person must eventually be an inpatient for at least 7 days outside your province of residence, plus the written verification of the attending physician that the situation was serious enough to have required the visit
 - identify a deceased prior to release of the body
- 14. Return airfare** if the personal use motor vehicle of you or your covered dependent is stolen or rendered inoperable due to an accident, reimbursement will be made for the cost of a one-way economy airfare to return you by the most direct route to the major airport nearest your departure point in your province of residence. An official report of the loss or accident is required;
- 15. Return of deceased** up to a maximum of \$5,000 toward the cost of embalming or cremation in preparation for homeward transportation in an appropriate container of yourself or your covered dependent when death is caused by illness or accident. The body will be returned to the major airport nearest the point of departure in your province of residence. The benefit excludes the cost of a burial coffin or any funeral-related expenses, makeup, clothing, flowers, eulogy cards, church rental, etc;

GSC TRAVEL ASSISTANCE SERVICE

The following services are available 24 hours per day, 7 days per week through GSC's international medical service organization.

These services include:

- Access to Pre-trip Assistance (prior to departure): Canada Direct Calling Codes; information about vaccinations; government issued travel advisories; and VISA/document requirements for entry into country of destination
- Multilingual assistance
- Assistance in locating the nearest, most appropriate medical care
- International preferred provider networks
- GSC Assistance Medical Team consultative and advisory services, including second opinion and review of appropriateness and analysis of the quality of medical care
- Assistance in establishing contact with family, personal physician and employer as appropriate

- Monitoring of progress during treatment and recovery
- Emergency message transmittal services
- Translation services and referrals to local interpreters as necessary
- Verification of coverage facilitating entry and admissions into hospitals and other medical care providers
- Special assistance regarding the co-ordination of direct claims payment
- Co-ordination of embassy and consular services
- Management, arrangement and co-ordination of emergency medical transportation and evacuation as necessary
- Management, arrangement and co-ordination of repatriation of remains
- Special assistance in making arrangements for interrupted and disrupted travel plans resulting from emergency situations to include:
 - the return of unaccompanied travel companions
 - travel to the bedside of a stranded person
 - rearrangement of ticketing due to accident or illness and other travel related emergencies
 - the return of a stranded personal use motor vehicle and related personal items
- Knowledgeable legal referral assistance
- Co-ordination of securing bail bonds and other legal instruments
- Special assistance in replacing lost or stolen travel documents including passports
- Courtesy assistance in securing incidental aid and other travel related services
- Emergency and payment assistance for major health expenses, which would result in payments in excess of \$200

How Travel Assistance Service Works

For assistance dial **1.800.936.6226** within Canada and the United States or call collect **0.519.742.3556** when traveling outside Canada and the United States. These numbers appear on your GSC Identification card.

Quote the GSC travel assist group number and your GSC Identification Number, found on your GSC Identification card, and explain your medical emergency. **You must always be able to provide your GSC Identification Number and your provincial health insurance plan number.**

A multilingual Assistance Specialist will provide direction to the best available medical facility or legally qualified physician able to provide the appropriate care.

Upon admission to a hospital or when consulting a legally qualified physician or surgeon for major emergency treatment, we will guarantee the provider (hospital, clinic or physician), that you have both provincial health insurance plan coverage and GSC travel benefits as detailed above.

The provider may then bill GSC Travel Assistance directly for these approved services for amounts in excess of \$200.

GSC Assistance Medical Team will follow your progress to ensure that you are receiving the best available medical treatment. These physicians also keep in constant communication with your family physician and your family, depending on the severity of your condition.

When calling collect while travelling outside Canada and the United States, you may require a Canada Direct Calling Code. In the event that a collect call is not possible, keep your receipts for phone calls made to GSC Travel Assistance and submit them for reimbursement upon your return to Canada.

Travel Limitations

1. Coverage becomes effective at the time you or your dependent crosses the provincial border departing from their province of residence and terminates upon crossing the border returning to their province of residence on the return home. If traveling by air, coverage becomes effective at the time the aircraft takes off in the province of residence and terminates when the aircraft lands in the province of residence on the return home;
2. Upon notification of the necessity for treatment of an accidental injury or medical emergency, GSC's Assistance Medical Team reserves the right to determine whether repatriation is appropriate if the patient's medical condition will require immediate or scheduled care. Such repatriation is mandatory, where the Assistance Medical Team determines that the patient is medically fit to travel and appropriate arrangements have been made to admit the patient into the provincial government health care system of their province of residence. Repatriation will ensure continued coverage under the plan. Should the patient opt not to be repatriated or elects to have such treatment or surgery outside their province of residence, the expense of such continuing treatment will not be an eligible benefit;

The patient must contact GSC Travel Assistance within 48 hours of commencement of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two;

3. Air ambulance services will only be eligible if:
 - they are pre-approved by GSC Travel Assistance
 - there is a medical need for you or your dependent to be confined to a stretcher or for a medical attendant to accompany you during the journey
 - you or your dependent are admitted directly to a hospital in your province of residence, and
 - medical reports or certificates from the dispatching and receiving legally qualified physicians are submitted to GSC Travel Assistance
 - proof of payment (including air ticket vouchers or air carrier invoices) is submitted to GSC Travel Assistance
4. If planning to travel in areas of political or civil unrest, or in areas where Foreign Affairs and International Trade Canada (DFAIT) has issued a formal travel warning regarding non-essential travel, contact GSC Travel Assistance for pre-travel advice, as we may be unable to guarantee assistance services;
5. GSC reserves the right, without notice, to suspend, curtail or limit its services in any area in the event of political or civil unrest, including rebellion, riot, military uprising, labour disturbance or strike, act of God, or refusal of authorities in a foreign country to permit GSC to provide service. This includes travel in any area if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city due to a likely or actual epidemic or pandemic, (non-essential travel will be deemed as anything other than a significant medical or family emergency, such as the death of a family member);

Travel Exclusions

In addition to the General Overall Exclusions, eligible benefits do not include and reimbursement will not be made for:

1. Any expenses incurred for the treatment related directly or indirectly to a pre-existing or pre-diagnosed medical condition that, at the time of your departure from your province of residence, was not completely stable (in the opinion of GSC Assistance Medical Team) and where medical evidence suggested a reasonable expectation that treatment or hospitalization could be required while traveling. GSC reserves the right to review your medical information at the time of claim.
2. Any expenses incurred for treatment or surgery that is not required for the immediate relief of acute pain or suffering as recommended by a legally qualified physician or surgeon. Eligible benefits will not be reimbursed for treatment or surgery that could reasonably be delayed until you return to your province of residence;
3. Any expenses incurred for treatment or surgery not covered under your provincial health insurance plan or for expenses incurred for treatment or surgery towards which your provincial health insurance plan has not provided payment;
4. Any expenses incurred for services, treatment or surgery received once the patient has opted to not be repatriated or elects to have such treatment or surgery outside their province of residence;
5. Any claims arising directly or indirectly from any medical condition you suffer or contract in a specific country, region or city due to an epidemic or pandemic, if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city. In this exclusion a medical condition is limited to the reason for which the formal travel warning was issued and includes complications arising from such medical condition;
6. Treatment or services required for ongoing care, rest cures, health spas, elective surgery, check-ups or travel for health purposes, even if the trip is on the referral of a physician;
7. Treatment or service that you elect to have performed outside Canada when the medical condition would not prevent your return to Canada for such treatment;
8. Treatment or service required as a result of suicide, attempted suicide, intentionally self-inflicted injury of you, a traveling companion, or immediate family member while sane or insane;
9. Abusive or excessive consumption of medication, drugs or alcohol and the ensuing consequences, including, and as a result of, in connection with or in any way associated with driving a motorized vehicle while impaired by drugs, alcohol or toxic substances or an alcohol level of more than 80 milligrams in 100 millilitres of blood. (A motorized vehicle means any form of transportation which is propelled or driven by a motor and includes, but is not restricted to an automobile, truck, motorcycle, moped, snowmobile, or boat);
10. Amounts paid or payable under any Workplace Safety and Insurance Board or similar plan;
11. Hospital and medical care for childbirth occurring within 8 weeks of the expected delivery date from the date of departure, or deliberate termination of pregnancy;
12. Treatment or service provided in a chronic care or psychiatric hospital, chronic unit of a general hospital, Long-Term Care (LTC) Facility, health spa, or nursing home;

- 13. Services received from a chiropractor, chiropodist, podiatrist, or for osteopathic manipulation;
- 14. Cataract surgery or the purchase of eyeglasses or hearing aids;
- 15. Any expenses incurred during any trip taken for the purpose of seeking medical treatment or advice that have not been previously authorized as outlined in referral services

GSC does not assume responsibility for nor will it be liable for any medical advice given, but not limited to a physician, pharmacist or other healthcare provider or facility recommended by GSC Travel Assistance.

DENTAL

- Your deductible is Nil
- Your maximum for Basic, Comprehensive Basic and Dentures is Unlimited
- Your maximum for Crowns and Bridges is \$1,000 per calendar year
- Your lifetime maximum for Orthodontic services is \$2,500
- Stated maximums are expressed in Canadian dollars
- Your co-insurance which is applied to the eligible allowed amount is 100% for Basic and Comprehensive basic services, 50% for Major services and 50% for Orthodontic services
- Basic services cover recalls once every 9 months, other exams and full mouth X-rays every 3 years
- Comprehensive basic services cover denture relines once every 3 years
- Major services cover standard dentures, crowns and bridges once every 5 years
- Applicable lab, drug and other expenses are eligible to a maximum of 40% of the allowable professional fee. Any applicable co-payment is then applied
- Your eligible claims are reimbursed at the level stated above and in accordance with:
 - the current Ontario Dental Association Fee Guide for General Practitioners
 - for independent Dental Hygienists, the lesser of the, current Ontario Dental Hygienists' Association Fee Guide and Ontario Dental Association Fee Guide for General Practitioners

Claim payments are made payable to you. You cannot authorize payment to be made to a dentist who has rendered services, treatments or supplies.

Basic Services

- Recalls include exams, bitewing X-rays, preventive cleanings and fluoride treatments
- Complete, general or comprehensive oral exams, full mouth X-rays and panoramic X-rays
- Basic restorations, fillings and inlays
- Extractions and surgical services
- General anaesthesia, deep sedation, and intravenous sedation in conjunction with eligible oral surgery only
- Oral hygiene instruction once every 9 months
- Mouth guards, once every 12 months

Comprehensive Basic Services

- Endodontic treatment including standard root canal therapy, excluding retreatments
- Periodontal treatment including scaling and/or root planing
- Standard denture services including relining and rebasing of dentures only after 6 months have elapsed from the installation of a denture

Major Services

- Standard dentures, complete, immediate and partial
- Denture adjustments only after 3 months have elapsed from the installation of a denture
- Standard crown restorations or onlays on natural teeth
- Repair or recementing of crowns, onlays and bridgework on natural teeth
- Standard bridges, including pontics, abutment retainers/crowns on natural teeth

Orthodontic Services

- Orthodontic treatment to straighten teeth and correct the bite
- Subject to a usual and customary monthly cap as established by GSC

Alternate Treatment

The group benefit plan will reimburse the amount shown in the Fee Guide for the least expensive service or supply, provided that both courses of treatment are a benefit under the plan.

Predetermination

Before your treatment begins:

- for all proposed treatment for crowns, onlays and bridges, an estimate completed by your dental practitioner, **must** be submitted for assessment. Our assessment of the proposed treatment, may result in a lesser benefit being payable or may result in benefits being denied. Failure to submit an estimate prior to beginning your treatment will result in the delay of the assessment.
- if the total cost of any other proposed treatment is expected to exceed \$300, it is recommended that you submit an estimate completed by your dental practitioner.

GENERAL INFORMATION

GENERAL OVERALL EXCLUSIONS

Eligible Services do not include and reimbursement will not be made for:

1. services or supplies received as a result of disease, illness or injury due to:
 - a) intentionally self-inflicted injury while sane or insane;
 - b) an act of war, declared or undeclared;
 - c) participation in a riot or civil commotion; or
 - d) committing a criminal offence;
2. services or supplies provided while serving in the armed forces of any country;
3. failure to keep a scheduled appointment with a legally qualified medical or dental practitioner;
4. the completion of any claim forms and/or insurance reports;
5. any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service;
 - c) is administered in a hospital or is required to be administered in a hospital in accordance with Health Canada's approved indication for use;
 - d) is not dispensed by the pharmacist in accordance with the payment method used for Prescription Drugs;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;
6. service and charges for sleep dentistry;
7. services or supplies that:
 - a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of GSC) medical practitioner or dental practitioner as permitted by law;
 - b) are legally prohibited by the government from coverage;
 - c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than GSC, your plan sponsor or you;
 - d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
 - e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
 - f) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
 - g) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
 - h) are a replacement of lost, missing or stolen items, or items that are damaged due to negligence.
 - i) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;

- j) would normally be paid through any provincial health insurance plan, worker's compensation board or tribunal, the Assistive Devices Program or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made;
- k) were previously provided or paid for by any governmental body or agency, but which have been modified, suspended or discontinued as result of changes in provincial health plan legislation or de-listing of any provincial health plan services or supplies;
- l) may include but are not limited to, drugs, laboratory services, diagnostic testing or any other service which is provided by and/or administered in any public or private health care clinic or like facility, medical practitioner's office or residence, where the treatment or drug does not meet the accepted standards or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
- m) are provided by a medical practitioner who has opted out of any provincial health insurance plan and the provincial health insurance plan would have otherwise paid for such eligible service;
- n) relates to treatment of injuries arising out of a motor vehicle accident;
- o) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

CO-ORDINATION OF BENEFITS (COB)

Where you or your dependents have coverage with more than one carrier, claims will be co-ordinated so that reimbursement from all coverage will not exceed 100% of the actual claim. Visit our web site at greenshield.ca or call our Customer Service Centre at 1.888.711.1119 for information on COB.

SUBROGATION

GSC retains the right to subrogation if benefits have or should have been paid or provided by a third party. In cases of third party liability, you must advise your lawyer of these rights.

PLAN MEMBER ONLINE SERVICES

In addition to this booklet and our Customer Service Centre, we also provide you with access to our secure website. Self-service through the GSC website makes things quick, convenient and easy. Register today to:

- View your Benefit Plan Booklet
- Access your personal claims information, including a breakdown of how your claims were processed
- Simulate a claim to instantly find out what portion of a claim will be covered
- Submit certain claims online
- Arrange for claim payments to be deposited directly into your bank account*
- Print personalized claim forms and replacement Identification Cards
- Print personal Explanation of Benefits statements for when you need to co-ordinate benefits
- Get the support you need online

Register online at greenshield.ca and see what our website can do for you!

***Please note** that once arrangements have been made for direct deposit, claim payments will be deposited directly into the bank account you have chosen. Statements will no longer be mailed to you but will be available for online viewing.

PREFERRED PROVIDER VISION NETWORK ARRANGEMENT

As a GSC plan member, you have access to our national preferred provider vision network arrangement where all GSC plan members are eligible to receive a discount on eyewear and laser eye surgery.

Features of this great value-added service for either eyewear or laser eye surgery include:

1. Offer applies to any GSC plan member, regardless of whether you have GSC vision benefits or not;
2. The vision provider may bill GSC directly; the plan member just pays any portion of the expense not covered under their vision benefit;
3. Trustworthy retail chains with convenient locations;
4. The discount offer applies to everything such as all extra coatings, upgrades and accessories;
5. Hundreds of the latest frame styles to choose from plus the latest lens and coating technology;
6. Professional opticians to assist in selecting products;
7. For some vendors, this offer applies to non-disposable contact lenses only (excludes disposable contact lenses).

Visit our website at greenshield.ca or call our Customer Service Centre at 1.888.711.1119 for information on the vision providers.

How to Submit Your Vision Claim

1. Present your GSC Identification Card as proof of being a GSC plan member.
2. The vision provider will apply the appropriate discount(s) to your claim and may submit the claim directly to GSC for payment. You pay your vision provider any balance not covered under your vision benefit.
3. If no vision benefit exists, you pay your provider the full balance owing after the applicable discounts have been applied.

GROUP CONVERSION - PRISM CONTINUUM® PROGRAM

The PRISM CONTINUUM® Program offers three plans that are focused on providing coverage for you if you are leaving a company group plan.

This program may be your solution if you, your spouse or dependent children are losing, or have lost company group health benefits within the last 60 days and are looking for guaranteed coverage.

Call 416.601.0429 in the Toronto area or toll-free at 1.800.667.0429 for an information package or visit our website at greenshield.ca. Coverage is guaranteed if you apply within 60 days of losing your GSC group benefits.

OUR COMMITMENT TO PRIVACY

The GSC Privacy Code balances the privacy rights of our group and benefit plan members and their dependents, and our employees, with the legitimate information requirements to provide customer service. It consists of the following key principles:

1. We ask for your personal information for the following purposes:

- To establish your identification
- To provide you and/or your dependents with the applicable benefit coverage
- To protect you and us from error and fraud
- To provide ongoing access to other services at GSC

2. Consent

When you enrolled in your group benefit plan as a plan member, your personal information was obtained and used only with your consent. We obtained your consent before we:

- Provided benefit coverage
- Offered you other GSC services
- Obtained, used or disclosed to other persons, information about you unless we were obliged to do so by law or to protect our interests
- Used your personal information in any way we did not tell you about previously

Your consent can be either express or implied. Express consent can be verbal or written.

Consent can be implied or inferred from certain actions. For our existing group and benefit plan members and their dependents, we will continue to use and disclose your personal information previously collected in accordance with our current privacy code, unless you inform us otherwise and will infer that consent has been obtained by your continued use.

3. Withdrawal of Consent

You can withdraw your consent any time after you've given it to us, provided there are no legal or regulatory requirements to prevent this.

If you don't consent to certain uses of personal information, or if you withdraw your consent, we will no longer be able to administer your benefit coverage. If so, we will explain the situation to you to help you with your decision.

For further information on our privacy policies and procedures, please refer to the GSC web site at greenshield.ca.

your group benefits

Contract Number: 102434
Effective: September 1, 2017
Issued: September 21, 2017



Windsor Canada Utilities
ENWIN Utilities Ltd. - Hydro Union Employees

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How to Connect with Sun Life Financial



Questions?

We're here to help. Talk to a Sun Life Financial Customer Care representative for assistance with your coverage by calling toll-free at 1-800-361-6212.

For faster service, have your **group contract number** and **member ID** ready to enter into our automated telephone system.

All other inquiries

Call 1-877-SUN-LIFE (1-877-786-5433).

Benefit Summary



Contract Number 102434

This is a summary of the coverage your plan provides. You should read it together with the information in the rest of this booklet. Please see the related sections of this booklet for more information, including exclusions, limitations and other conditions that apply to your plan.

General Information

We, our and us	Throughout this booklet, <i>we</i> , <i>our</i> and <i>us</i> mean Sun Life Assurance Company of Canada
Waiting period	120 working days of continuous employment Any period during which you do not meet the eligibility requirements cannot be counted as part of the waiting period
Termination	Termination of coverage may vary from benefit to benefit as indicated in this Benefit Summary. Coverage may also end on an earlier date, as specified in the <i>General Information</i> section of this booklet.

Long-Term Disability

Maximum amount	60% of your monthly basic earnings up to a maximum of \$4,300 The maximum amount may be reduced by benefits and payments provided from other sources as described in the <i>Long-Term Disability</i> section of this booklet
Elimination period	17 weeks
Maximum benefit period	The period ending when you reach age 65 Benefits may also end on an earlier date as specified in the <i>Long-Term Disability</i> section of this booklet
Termination	The day you reach age 65 less the elimination period or the day you retire, whichever is earlier
Tax status	Your employer has indicated that it is paying all or a portion of the premium for this disability plan. Therefore, the benefit payments are taxable income.

Life

Employee Basic Life

	Class B5	Class BA5	Class BB5	Class BC5
Amount	150% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000
Maximum	\$600,000	\$600,000	\$600,000	\$600,000
Proof of good health	Approval required for coverage in excess of \$500,000, and any increase in that coverage of 25% or more or \$25,000, whichever is greater			
Termination	When you retire or reach age 70, whichever is earlier			

Employee Optional Life

	Class B5	Class BA5	Class BB5	Class BC5
Amount	Not applicable	25% of your annual basic earnings rounded to the next higher \$1,000	75% of your annual basic earnings rounded to the next higher \$1,000	125% of your annual basic earnings rounded to the next higher \$1,000
Maximum		\$400,000	\$400,000	\$400,000
Proof of good health		Approval required on the initial optional amount of coverage and any increase in that coverage requested by the employee		
Termination		When you retire or reach age 70, whichever is earlier		

Dependent Life

Amount	Spouse – \$10,000 Child – \$5,000
Termination	When you retire or reach age 70, whichever is earlier

Making Claims



There are time limits for making claims. You can find more on these time limits in the following chart. **If you fail to meet these time limits, you may not be entitled to some or all benefit payments.**

To assess a claim, we may ask you to send us the following documents:

- medical records or reports
- proof of payment
- itemized bills
- prescriptions
- other information we need.

Proof of claim is at your expense.

Instructions and Time Limits for Sending Us Your Claims

Use this handy reminder to help you meet the time limits for sending in your claim.

Type of claim	Starting the claims process	Limits and special instructions
Long-Term Disability	<p>Ask your employer for the claim forms and ensure that the following people complete them:</p> <ul style="list-style-type: none">• you,• your attending doctor, and• your employer. <p>The submission of these forms is your proof of claim.</p>	<p>You should submit your proof of claim at least 8 weeks prior to the completion of your elimination period, but in no event later than 90 days after the end of your elimination period.</p> <p>If your Long-Term Disability coverage terminates, you must advise us of the claim within 30 days of the date the coverage terminates.</p> <p>We will assess the claim and send you or your employer a letter outlining our decision.</p> <p>From time to time, we can require that you provide us with proof of your continued total disability. We must be provided with this information within 90 days of the request.</p>

Type of claim	Starting the claims process	Limits and special instructions
Life coverage	Ask your employer to provide the claim forms.	<p>If the claim is a result of a death: We must receive the claim form as soon as possible after the death occurred.</p> <p>For coverage during total disability: We must receive the proof of total disability within 12 months of the date the disability begins. After that, we can require that you provide us with ongoing proof that you are still totally disabled.</p>

General Information



The information in this employee benefits booklet is important to you. It provides the information you need about the group benefits available through your employer's group contract with Sun Life Assurance Company of Canada (*Sun Life*), a member of the Sun Life Financial group of companies.

This booklet is only a summary of your employer's group contract. If there are any discrepancies between the group contract and the information in this booklet, the group contract will take priority, to the extent permitted by law.

Your group benefits may be modified after the effective date of this booklet. We will notify you in writing of any changes to your group plan. Any such notices will become part of this group benefits booklet and you should keep them in a safe place together with this booklet.

Have questions? Need more information about your group benefits? Talk to your employer.

Classes	<p>This booklet describes the coverage for the following classes of employees:</p> <ul style="list-style-type: none">• Class B5 – Enwin Hydro - Union Employees - Option Plan 1• Class BA5 – Enwin Hydro - Union Employees - Option Plan 3• Class BB5 – Enwin Hydro - Union Employees - Option Plan 3• Class BC5 – Enwin Hydro - Union Employees - Option Plan 4
Who is eligible to receive benefits?	<p>To be eligible for group benefits, you must reside in Canada and meet all the following conditions:</p> <ul style="list-style-type: none">• you are a permanent employee working in Canada.• you are actively working for your employer at least 20 hours a week.• you have completed the waiting period indicated in the Benefit Summary. <p>Your dependents become eligible for coverage on the later of the following dates:</p> <ul style="list-style-type: none">• on the date you become eligible for coverage, or• on the date they become your dependent. <p>You must apply for coverage for yourself in order for your dependents to be eligible.</p>
Who qualifies as your dependent	<p>Your dependent must be:</p> <ul style="list-style-type: none">• your spouse or your child, and• residing in Canada or the United States. <p>Your spouse qualifies as your dependent if they are your spouse in one of the following ways:</p> <ul style="list-style-type: none">• by marriage.• under any other formal union recognized by law.• as your partner of the opposite sex or of the same sex who is living with you and has been living with you in a conjugal relationship. <p>You can only cover one spouse at a time.</p> <p>Your children and your spouse's children (other than foster children) are eligible dependents if they are under age 21 and do not have a spouse.</p> <p>A child who is a full-time student under age 25 is also considered an eligible dependent as long as the child is dependent on you for financial support and does not have a spouse.</p>

	<p>If a child becomes disabled before the maximum age and remains continuously disabled, we will continue coverage if they are not able to support themselves financially because of a disability and must rely on you financially. The exception is if they have a spouse.</p> <p>In these cases, you must inform Sun Life within 6 months of the date the child attains the maximum age for this plan. Ask your employer for more on this.</p>
How to enrol	<p><i>For you</i> – You must provide the proper enrolment information to Sun Life through your employer.</p> <p><i>For a dependent</i> – You must ask for dependent coverage.</p> <p>If your enrolment request is not received within 31 days of becoming eligible to receive it – You will have to provide proof of good health at your own expense.</p> <p>You will need to provide proof of good health for the benefits listed below, as outlined in the Benefit Summary section at the beginning of this booklet. This coverage will not start before Sun Life has approved this proof of good health.</p> <ul style="list-style-type: none"> • Employee Basic Life • Employee Optional Life
When coverage begins	<p>Your coverage begins on the later of the following dates:</p> <ul style="list-style-type: none"> • the date you become eligible for coverage. • the date Sun Life approves your proof of good health, if required. <p>If you are not actively working on the date coverage would normally begin, your coverage will not begin until you return to active work.</p> <p>A dependent's coverage begins on the later of the following dates:</p> <ul style="list-style-type: none"> • the date your coverage begins. • the date you first have a dependent. • the date Sun Life approves the dependent's proof of good health, if required.
Changes affecting your coverage	<p>If proof of good health is required, the change cannot take effect before Sun Life approves the proof of good health.</p> <p>If you are not actively working when an increase in coverage occurs or when Sun Life approves proof of good health, the change cannot take effect before you return to active work.</p>
Updating your records	<p>To ensure that coverage is kept up-to-date, it is important that you report any of the following changes to your employer:</p> <ul style="list-style-type: none"> • change of dependents. • change of name. • change of beneficiary.
Accessing your records	<p>You may request copies of your records, including:</p> <ul style="list-style-type: none"> • your enrolment form or application for insurance. • any written statements or other record about your health that you provided to Sun Life in applying for coverage. • one copy of the insured contract. <p>We will not charge you for the first copy but we may charge a fee for further copies.</p>

	<p>Need a copy of a document? Contact one of the following:</p> <ul style="list-style-type: none"> • our website at www.mysunlife.ca. • our Customer Care centre, toll-free at 1-800-361-6212.
When coverage ends	<p>As an employee, your coverage will end on the earlier of the following dates:</p> <ul style="list-style-type: none"> • the date your employment ends for any reason other than retirement on pension. • the date you are no longer actively working. • the end of the period for which premiums have been paid to Sun Life for your coverage. • the date the group contract or the benefit provision ends. <p>A dependent's coverage terminates on the earlier of the following dates:</p> <ul style="list-style-type: none"> • the date your coverage ends. • the date the dependent is no longer an eligible dependent. • the end of the period for which premiums have been paid for dependent coverage. <p>The end of coverage may vary from benefit to benefit. For information about a specific benefit, please refer to the Benefit Summary section at the beginning of this booklet.</p>

If you die while covered by this plan

Coverage for your dependents will continue, without anyone paying further premiums, until **the earlier of** the following dates:

- 24 months after the date of your death.
- the date the person would no longer be considered your dependent under this plan if you were still alive.
- the date your coverage would have terminated if you were still alive.
- the date the benefit provision under which the dependent is covered ends.

When dependent coverage continues, it is subject to all other terms of the plan.

Legal actions

Limitation period for Ontario:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Limitations Act, 2002*.

Limitation period for any other province:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation of your province or territory.

Proof of disability

From time to time, Sun Life can require that you provide us with proof of your continued total disability. If you do not provide this information within 90 days of the request, you may not be entitled to some or all benefit payments.

Medical examination

We may require that you or your dependent have a medical examination if you make a claim. We will pay for the examination. If the person fails or refuses to have an examination, we will not pay any benefits.

Recovering overpayments

If we have overpaid any amount of benefit, we have the right to recover this money. We will:

- ask you to reimburse us,
- deduct that amount from other benefit payments, or
- recover that amount by any other legal means available.

Assignments

For Life benefits – You may not assign any rights or interests to anyone.

For all other benefits – We reserve the right to deny your request for an assignment.

Definitions

Here are the definitions of some terms that appear in this employee booklet. Other definitions that describe specific benefits appear in the benefit sections.

Appropriate treatment	Appropriate treatment is defined as any treatment that is performed and prescribed by a doctor or, when Sun Life believes it is necessary, by a medical specialist. It must be the usual and reasonable treatment for the condition and must be provided as frequently as is usually required by the condition. It must not be limited solely to examinations or testing.
Basic earnings	Basic earnings are the salary you receive from your employer excluding any bonus, overtime or incentive pay.
Doctor	A doctor is a physician or surgeon who is licensed to practice medicine where that practice is located.
Illness	An illness is a bodily injury, disease, mental infirmity or sickness. Any surgery needed to donate a body part to another person which causes total disability is an illness.
Retirement date	If you are totally disabled, your retirement date is your 65th birthday, unless you have actually retired before then.

Long-Term Disability



General description of the coverage

Long-Term Disability coverage provides a benefit if you become totally disabled. You qualify for this benefit if you provide proof of claim acceptable to Sun Life that confirms both of the following:

- you became totally disabled while covered, and
- you have been following appropriate treatment for the disability since it started.

For the purposes of your Long-Term Disability coverage:

- during the elimination period and the following 24 months (this period is known as the **own occupation period**), we consider you to be totally disabled while you are continuously unable due to an illness to perform the essential duties of your own occupation, in any workplace, including in a different department or location with your employer or with another employer, and
- afterwards, we will consider you to be totally disabled while you are continuously unable due to an illness to perform any occupation, for any employer, for which you are or may become reasonably qualified by education, training or experience.

The availability of work with any employer does not affect the determination of total disability.

We pay these benefits at the end of each month. We base them on your coverage on the date you became totally disabled.

See the table **Instructions and Time Limits for Sending Us Your Claims** at the beginning of this booklet for information about when and how to make a claim.

When disability payments begin	<p>Your Long-Term Disability payments begin on the later of the following dates:</p> <ul style="list-style-type: none">• after you have been totally disabled for the uninterrupted period indicated in the Benefit Summary.• after the last day benefits are payable under any short-term disability, loss of income or other salary continuation plan. <p>This period, which must be completed before disability benefits become payable is called the elimination period.</p>
What we will pay	<p>Here is how we calculate your Long-Term Disability payments. All references to benefits and payments in this disability provision are to the gross amounts before any deductions.</p> <p>Step 1: We take the maximum amount indicated in the Benefit Summary.</p> <p>Step 2: We subtract any benefits or payments provided under:</p> <ul style="list-style-type: none">• any government-sponsored plan such as the Canada Pension Plan and the Québec Pension Plan, excluding any benefits or payments on behalf of a dependent, for the same or a subsequent disability.• any Workers' Compensation Act or similar law for the same or a subsequent disability.• a motor vehicle insurance plan.• a group plan, including any coverage you have because you are a member of an association but excluding any benefits or payments provided under a Critical Illness plan.• a retirement or pension plan funded in whole or in part by your employer, due to your disability or a medical condition.• the Québec Parental Insurance Plan.

The result from Step 2 is the amount you will normally receive.

Take the result you got in Step 2, add the above sources of benefits and payments plus the other sources of benefits and payments listed below and check the total you get. If it's more than 85% of your basic earnings when your disability began, we will reduce your Long-Term Disability payment by the excess. If the benefit is non-taxable, your income after income tax is the one we use.

Other sources of benefits and payments:

- any Workers' Compensation Act or similar law for another disability.
- any Criminal Injuries Compensation Act or similar law.

Important to remember:

- If you are eligible for any of the benefits or payments described above and do not apply for them, we will still consider them. We can estimate those benefits and payments and use them when we calculate your Long-Term Disability payments.
- If any of the benefits or payments described above are provided in a lump sum, we will determine the equivalent compensation this represents on a monthly basis using generally accepted accounting principles.
- We will not take into account any benefits or payments that began before your disability began. However, increases in those benefits or payments as a result of your disability will be taken into account.
- We have the right to adjust your Long-Term Disability benefit payments when appropriate under the above provision.

Interrupted periods of disability after payments begin

If you had a total disability for which we paid Long-Term Disability benefits and total disability reoccurs due to the same or related causes, we will consider it a continuation of your previous disability if it occurs within 6 months of the end of your previous disability.

We will base these benefits on your coverage as it existed on the original date you become totally disabled.

Rehabilitation / Partial disability program

Sun Life may require you to participate in a partial disability or rehabilitation program that we have approved in writing.

This may include one or more of the following:

- consulting our rehabilitation specialist,
- part-time work,
- working in another occupation or vocational training to help you become capable of full-time employment.

During your rehabilitation program, you may receive Long-Term Disability payments plus income, benefits and payments from other sources.

However, if during any month the total of any income, benefits and payments provided is more than 100% of your basic earnings when your disability began, indexed for inflation, your Long-Term Disability payment will be reduced by the excess. If the benefit is non-taxable, your income after income tax is the one we use.

You should consider participating in a partial disability or rehabilitation program as soon as possible after becoming disabled. If you enter a partial disability or rehabilitation program during the elimination period, it will not be considered an interruption of the elimination period.

Your participation in a partial disability program will be limited to the own occupation period.

If you recover damages from another person

We have the right to part of any money you recover through legal action or settlement from another person, organization or company who caused your disability.

If you decide to take legal action, you must comply with the applicable terms of the group contract concerning legal action.

For disability benefits paid or payable prior to the date of judgment or settlement, if you recover money, you must pay us 75% of your net recovery or the total disability benefits paid or payable to you under this plan, whichever is less. For disability benefits payable after a judgment or settlement, where 75% of your net recovery exceeds the amount that we recover for past disability benefits, we have the right to deduct that excess from ongoing disability benefits. Refer to your group contract for more information.

What you are responsible to do

During your total disability, you must make reasonable efforts to do all of the following. If you do not, Sun Life may hold back or discontinue benefits.

- recover from your disability, including participating in any reasonable treatment or rehabilitation program and accepting any reasonable offer of modified duties from your employer.
- return to your own occupation during the first 24 months that benefits are payable.
- receive training to qualify for another occupation if it becomes apparent that you will not be able to return to your own occupation within the first 24 months that benefits are payable.
- try to get work in another occupation after the first 24 months that benefits are payable.
- obtain benefits that may be available from other sources.

When payments end

Your Long-Term Disability payments end **on the earlier of** the following dates:

- the date you are no longer totally disabled.
- the end of the maximum benefit period indicated in the Benefit Summary.
- the last day of the month in which you retire with a pension or are eligible to retire with a full pension or a full pension equivalent.
- the last day of the month in which you die.

When coverage ends

See the Benefit Summary at the beginning of this booklet to see when your coverage ends.

What is not covered

We will not pay benefits for any period where one or more of the following is true:

- you are not receiving appropriate treatment.
- you do any work for wage or profit except where Sun Life has approved it in advance.
- you are not participating in an approved partial disability or rehabilitation program, if required by Sun Life.
- you are on a leave of absence, strike or lay-off.
- you are absent from Canada longer than 4 months due to any reason.
- you are serving a prison sentence or are confined in a similar institution.

We do not pay benefits if you become totally disabled within 12 months after your coverage begins and your disability results directly or indirectly from a condition which existed on or before the date your coverage began. However, this limitation will not apply to you if you have been covered for Long-Term Disability with your employer for at least 13 weeks during which:

- you have been actively working continuously (up to 3 days of absence does not count), and
- you have not been treated for the condition by a doctor or any medical personnel under the direction of a doctor.

If your coverage ends but you are covered again under this plan, we will use the latest date your coverage began when applying the above limitation.

We will not pay benefits for total disability resulting from:

- the hostile action of any armed forces, insurrection or participation in a riot or civil commotion.
- intentionally self-inflicted injuries.
- participation in a criminal offence.

Waiver of premium

Long-Term Disability premiums will be waived while you are receiving Long-Term Disability benefits.

Life Coverage



General description of the coverage

Your Life coverage provides a benefit for your beneficiary if you die while covered. Your dependents' Life coverage provides a benefit if one of your dependents dies while covered.

See the Benefit Summary at the beginning of this booklet to see the amount of coverage and the date coverage ends.

See the table **Instructions and Time Limits for Sending Us Your Claims** at the beginning of this booklet for information about when and how to make a claim.

Who we will pay	<p>If you die while covered, we will pay the full amount of your benefit to your last named beneficiary on file with us.</p> <p>If you have not named a beneficiary, we will pay the benefit amount to your estate. Anyone can be your beneficiary. You can change your beneficiary at any time, unless a law prevents you from doing so or you indicate that the beneficiary is not to be changed.</p> <p>If a dependent dies, we will pay you the benefit for that dependent.</p> <p>Fact If you designated a beneficiary under a previous group plan of the employer, we will apply and carry it forward to your coverage under this plan until you change it.</p> <p>There are different rules for designating a minor beneficiary, please refer to your contract for specific information.</p>
Suicide	<p>If you have any optional coverage that has been in effect for less than 2 years, we will not pay benefits if death is by suicide, while sane or insane.</p>
Coverage during total disability	<p>Life coverage may continue without the payment of premiums if you become totally disabled before you retire or reach age 65, whichever is earlier, as long as you are totally disabled. This continued coverage must follow the terms of the contract which were in effect on the date you became totally disabled, including reductions and terminations.</p> <p>There are a number of rules and conditions in the group contract that apply to coverage during total disability. Please contact your employer for details.</p>

Converting Life coverage

If your Life coverage or your spouse's Life coverage ends or reduces for any reason other than your request, you or your spouse may apply to convert the group Life coverage to an individual Life policy with Sun Life without providing proof of good health.

Where necessary in order to comply with applicable legislation: If your child's Life coverage ends because your Life coverage has ended, you may apply to convert the group Life coverage for your child to an individual Life policy with Sun Life without providing proof of good health.

The request must be made within 31 days that the Life coverage reduces or ends.

Important

There are a number of rules and conditions in the group contract that apply to converting this coverage, including the maximum amount that can be converted. Please contact your employer for details.

Your Group Benefits (B5, BA5, BB5 and BC5)

Respecting your privacy

Respecting your privacy is a priority for the Sun Life Financial group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit

www.sunlife.ca/privacy.

You have a choice

We will occasionally inform you of other financial products and services that we believe meet your changing needs. If you do not wish to receive these offers, let us know by calling 1-877-SUN-LIFE (1-877-786-5433).



About Sun Life Financial

A market leader in group benefits, Sun Life Financial serves more than one in six Canadians, in over 12,000 corporate, association, affinity and creditor groups across Canada.

Our Core values – integrity, service excellence, customer focus and building value – are at the heart of who we are and how we do business.

Sun Life Financial and its partners have operations in 22 key markets worldwide including Canada, the United States, the United Kingdom, Hong Kong, the Philippines, Japan, Indonesia, India, China and Bermuda.

Life's brighter under the sun

Group Benefits are provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

GB10171-E





ATTACHMENT 4 – F.2

ENWIN Employee Benefit Booklet – IBEW Services

My BENEFIT PLAN

ENWIN UTILITIES

Classification: Utilities, Union Employees

Billing Division: 19443

Revised Effective Date: November 10, 2016

GSC's Plan Member Online Services website makes things quick, convenient and easy.

Visit greenshield.ca
to register!

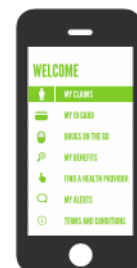
Your health. Your rewards.

The Change4Life™

HEALTH PORTAL...

AVAILABLE VIA ONLINE SERVICES

GSC GOES MOBILE.
GSC on the Go™



gsc
green shield canada

Services shown below will be eligible if they are usual, reasonable and customary, and are medically necessary for the treatment of an illness or injury. Please contact your benefits administrator or Green Shield Canada (GSC) Customer Service Centre at 1.888.711.1119 to determine benefit eligibility and coverage details. All claims must be received by GSC no later than 12 months from the date the eligible service was incurred.

Co-insurance means the percentage of the eligible amount that you are entitled to receive after satisfaction of the deductible.

Co-payment means the amount that you are required to pay.

Termination

Your coverage will end on the earliest of the following dates:

- a) the date your employment ends;
- b) the date you are no longer actively working;
- c) the end of the period for which rates have been paid to GSC for your coverage; or
- d) the date the group contract terminates.

PRESCRIPTION DRUGS

- Your overall maximum is unlimited
- A co-payment of \$5 applies to each prescription
- Ontario residents only: The Ontario Drug Benefit co-pay/deductible for seniors **is** a benefit
- Mandatory generic drug substitution applies
- Smoking cessation program, one course of treatment in any 12 month period
- Quebec residents only: Legislation states that GSC is obligated to follow RAMQ reimbursement guidelines for all residents of Quebec. For those 65 years of age and under, GSC is primary payer.

Prescription drug benefits are eligible if they:

- a) are prescribed by a legally qualified medical practitioner or dental practitioner as permitted by law; and
- b) legally require a prescription and have a Drug Identification Number (DIN); and
- c) are paid on a Pay Direct basis.

If approved by GSC, this plan includes drugs with a Drug Identification Number (DIN) that do not legally require a prescription, including insulin and all other approved injectables, as well as related supplies such as diabetic syringes, needles and testing agents. In addition, this plan includes all vaccines.

Certain drugs may require prior approval. Your Pharmacist is aware of the drugs that fall into this category.

Maintenance drugs required to treat lifelong chronic conditions must be purchased in a 90-day supply of a prescription at any one time. Non-maintenance drugs may be purchased in a supply not exceeding 3-months (90-day) supply of a prescription at any one time. However, for all drugs, 6 months for a vacation supply may be purchased and not more than a 13-month supply in any 12 consecutive months.

Benefits do not include nicotine replacement products (such as patches, gum, lozenges, and inhalers).

EXTENDED HEALTH SERVICES

- Your deductible is nil
- Your overall maximum is unlimited
- Stated maximums are expressed in Canadian dollars
- Your co-insurance for Extended Health Services is 100%

Emergency Transportation

Ambulance Transportation, for land or air ambulance to the nearest hospital equipped to provide the required treatment, up to \$100 per trip.

Accidental Dental

Accidental Dental benefits for treatment by a dentist. A dental accident report form must be submitted immediately following the accident.

Hospital Accommodation

- Semi-Private Room in a public general hospital
- Private Room in a public general hospital, up to \$1,000 per lifetime

Long-Term Care (LTC) Facility

Reimbursement up to \$10,000 per lifetime. Prior approval is necessary.

Hearing Care

Reimbursement will be made for one hearing aid of any type per ear every 3 years. No amount will be paid for batteries, repairs or replacement parts.

Medical Items

Standard Prosthetic Appliances and Durable Medical Equipment as well as replacements, repairs, fittings and adjustments of such devices. Contact the Customer Service Centre to verify eligibility of a particular benefit.

Private Duty Nursing in the Home

Private duty nursing benefits carry a maximum of \$10,000 per lifetime for the services of a Registered Nurse (R.N.) in the home on a full basis.

Professional Services

- Physiotherapist: reasonable and customary charges for services
- Psychologist: \$35 for the first visit and \$20 per hour for each subsequent visit, up to a maximum of \$200 per calendar year
- Chiropractor and Registered Massage Therapist (medical referral required): up to a maximum of \$800 per calendar year combined
- Osteopath or Podiatrist/Chiropodist: up to a maximum of \$300 per practitioner per calendar year
- Speech Therapist: up to a maximum of \$200 per calendar year

NOTE:

- Podiatry services are eligible in coordination with your Ontario health insurance plan
- Professional Services are only eligible when the practitioner rendering the service is a member in good standing with their provincial regulatory agency or an active member of a professional association, either of which must be recognized by GSC. Please contact the GSC Customer Service Centre to confirm eligibility when in doubt

Vision

- Your Vision benefit carries a maximum of \$350 every 24 months for prescription eye glasses or contact lenses, or medically necessary contact lenses, or laser eye surgery, provided they are dispensed by an Optometrist, an Optician or an Ophthalmologist

Commencement of your benefit period is based on the initial date you receive vision benefits. The date of service is the date **payment is made in full** for the eyewear.

Eye examinations performed by a registered, licensed Optometrist or Physician limited to one exam every 24 months, up to a maximum of \$85 per claim (available only where eye examinations are not covered by the Provincial Health Insurance Plan).

TRAVEL

- Travel benefits are eligible for the first **180** days per trip
- Your maximum is \$1,000,000 per covered person per calendar year for Emergency Services and \$50,000 per calendar year for Referral Services
- Hospital and medical services are eligible only if your provincial health insurance plan provides payment toward the cost of incurred services
- Deductible and co-payments do not apply to Travel

Expenses arising as a result of a medical emergency while you or an eligible dependent are temporarily outside of your regular province of residence for vacation, business, or education will be considered eligible under the Travel benefit.

To qualify for benefits, the claimants must be covered by their respective provincial government health plan or equivalent at the time the expenses are incurred.

Eligible travel benefits will be considered based on the reasonable and customary charges in the area where they were received, less the amount payable by your provincial health insurance plan.

All dollar maximums and limitations are stated in Canadian currency. Reimbursement will be made in Canadian funds or U.S. funds for both providers and plan members, based on the country of the payee. For payments that require currency conversion, the rate of exchange used will be the rate in effect on the date of service of the claim.

Upon notification of the necessity for treatment of an accidental injury or medical emergency, **the patient must contact GSC Travel Assistance within 48 hours of commencement of treatment.**

Emergency means a sudden, unexpected injury, illness or acute episode of disease that requires immediate medical attention **and could not have been reasonably anticipated based upon the patient's prior medical condition.** This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

Any invasive or investigative procedures must be pre-approved by GSC Assistance Medical Team.

Eligible benefits are limited to the maximum days per trip as shown above commencing with the date of departure from your province of residence. If you are hospitalized on the last day shown above, your benefits will be extended until the date of discharge.

1. **Hospital services and accommodation** up to a standard ward rate in a public general hospital;
2. **Medical/surgical services** rendered by a legally qualified physician or surgeon to relieve the symptoms of, or to cure an unforeseen illness or injury;
3. **Emergency Transportation**
 - **Land ambulance** to the nearest qualified medical facility
 - **Air ambulance** - the cost of air evacuation (including a medical attendant when necessary) between hospitals and for hospital admission into Canada when approved in advance by your provincial health insurance plan or to the nearest qualified medical facility

4. **Referral services** – (a) hospital services and accommodation, up to a standard ward rate in a public general hospital, and/or (b) medical surgical services rendered by a legally qualified physician or surgeon;
 - **Prior to the commencement of any referral treatment, written pre-authorization** from your provincial health insurance plan and GSC **must be obtained**. Your provincial health insurance plan may cover this referral benefit entirely. You must provide GSC with a letter from your attending physician stating the reason for the referral, and a letter from your provincial health insurance plan outlining their liability. **Failure to comply in obtaining pre-authorization will result in non-payment**
5. **Services of a registered private nurse** up to a maximum of \$5,000 per calendar year, at the reasonable and customary rate charged by a qualified nurse (R.N.) registered in the jurisdiction in which treatment is provided. You must contact GSC Travel Assistance for pre-approval;
6. **Diagnostic laboratory tests and X-rays** when prescribed by the attending physician. Except in emergency situations, GSC Travel Assistance must pre-approve these services (i.e. cardiac catheterization or angiogram, angioplasty and bypass surgery);
7. **Reimbursement of prescriptions** for drugs, serums and injectables which require a prescription by law and are prescribed by a legally qualified medical practitioner (vitamins, patent and proprietary drugs are excluded). Submit to GSC Travel Assistance the original paid receipt from the pharmacist, physician or hospital outside your province of residence showing the name of the prescribing physician, prescription number, name of preparation, date, quantity and total cost;
8. **Medical appliances** including casts, crutches, canes, slings, splints and/or the temporary rental of a wheelchair when deemed medically necessary and required due to an accident which occurs, and when the devices are obtained outside your province of residence;
9. **Treatment by a dentist** only when required due to a direct accidental blow to the mouth up to a maximum of \$2,000. Treatments (prior to and after return) must be provided within 90 days of the accident. Details of the accident must be provided to GSC Travel Assistance along with dental X-rays;
10. **Coming Home** - when your emergency illness or injury is such that:
 - GSC Assistance Medical Team specifies in writing that you should immediately return to your province of residence for immediate medical attention, reimbursement will be made for the extra cost incurred for the purchase of a one way economy airfare, plus the additional economy airfare if required to accommodate a stretcher, to return you by the most direct route to the major air terminal nearest the departure point in your province of residence

This benefit assumes that you are not holding a valid open-return air ticket. Charges for upgrading, departure taxes, cancellation penalties or airfares for accompanying family members or friends are not included;

 - GSC Assistance Medical Team or commercial airline stipulates in writing that you must be accompanied by a qualified medical attendant, reimbursement will be made for the cost incurred for one round trip economy airfare and the reasonable and customary fee charged by a medical attendant who is not your relative by birth, adoption or marriage and is registered in the jurisdiction in which treatment is provided, plus overnight hotel and meal expenses if required by the attendant

- 11. Cost of returning your personal use motor vehicle** to your residence or nearest appropriate vehicle rental agency when you are unable to do so due to sickness, physical injury or death, up to a maximum of \$1,000 per trip. We require original receipts for costs incurred, i.e. gasoline, accommodation and airfares;
- 12. Meals and accommodation** up to \$1,500 (maximum of \$150 per day for up to 10 days) will be reimbursed for the extra costs of commercial hotel accommodation and meals incurred by you when you remain with a travelling companion or a person included in the "family" coverage, when the trip is delayed or interrupted due to an illness, accidental injury to or death of a travelling companion. This must be verified in writing by the attending legally qualified physician or surgeon and supported with original receipts from commercial organization;
- 13. Transportation to the bedside** including round trip economy airfare by the most direct route from your province of residence, for any one spouse, parent, child, brother or sister, and up to \$150 per day for a maximum of 5 days for meals and accommodation at a commercial establishment will be paid for that family member to:
- be with you or your covered dependent when confined in hospital. This benefit requires that the covered person must eventually be an inpatient for at least 7 days outside your province of residence, plus the written verification of the attending physician that the situation was serious enough to have required the visit
 - identify a deceased prior to release of the body
- 14. Return airfare** if the personal use motor vehicle of you or your covered dependent is stolen or rendered inoperable due to an accident, reimbursement will be made for the cost of a one-way economy airfare to return you by the most direct route to the major airport nearest your departure point in your province of residence. An official report of the loss or accident is required;
- 15. Return of deceased** up to a maximum of \$5,000 toward the cost of embalming or cremation in preparation for homeward transportation in an appropriate container of yourself or your covered dependent when death is caused by illness or accident. The body will be returned to the major airport nearest the point of departure in your province of residence. The benefit excludes the cost of a burial coffin or any funeral-related expenses, makeup, clothing, flowers, eulogy cards, church rental, etc;

GSC TRAVEL ASSISTANCE SERVICE

The following services are available 24 hours per day, 7 days per week through GSC's international medical service organization.

These services include:

- Access to Pre-trip Assistance (prior to departure): Canada Direct Calling Codes; information about vaccinations; government issued travel advisories; and VISA/document requirements for entry into country of destination
- Multilingual assistance
- Assistance in locating the nearest, most appropriate medical care
- International preferred provider networks
- GSC Assistance Medical Team consultative and advisory services, including second opinion and review of appropriateness and analysis of the quality of medical care
- Assistance in establishing contact with family, personal physician and employer as appropriate

- Monitoring of progress during treatment and recovery
- Emergency message transmittal services
- Translation services and referrals to local interpreters as necessary
- Verification of coverage facilitating entry and admissions into hospitals and other medical care providers
- Special assistance regarding the co-ordination of direct claims payment
- Co-ordination of embassy and consular services
- Management, arrangement and co-ordination of emergency medical transportation and evacuation as necessary
- Management, arrangement and co-ordination of repatriation of remains
- Special assistance in making arrangements for interrupted and disrupted travel plans resulting from emergency situations to include:
 - the return of unaccompanied travel companions
 - travel to the bedside of a stranded person
 - rearrangement of ticketing due to accident or illness and other travel related emergencies
 - the return of a stranded personal use motor vehicle and related personal items
- Knowledgeable legal referral assistance
- Co-ordination of securing bail bonds and other legal instruments
- Special assistance in replacing lost or stolen travel documents including passports
- Courtesy assistance in securing incidental aid and other travel related services
- Emergency and payment assistance for major health expenses, which would result in payments in excess of \$200

How Travel Assistance Service Works

For assistance dial **1.800.936.6226** within Canada and the United States or call collect **0.519.742.3556** when traveling outside Canada and the United States. These numbers appear on your GSC Identification card.

Quote the GSC travel assist group number and your GSC Identification Number, found on your GSC Identification card, and explain your medical emergency. **You must always be able to provide your GSC Identification Number and your provincial health insurance plan number.**

A multilingual Assistance Specialist will provide direction to the best available medical facility or legally qualified physician able to provide the appropriate care.

Upon admission to a hospital or when consulting a legally qualified physician or surgeon for major emergency treatment, we will guarantee the provider (hospital, clinic or physician), that you have both provincial health insurance plan coverage and GSC travel benefits as detailed above.

The provider may then bill GSC Travel Assistance directly for these approved services for amounts in excess of \$200.

GSC Assistance Medical Team will follow your progress to ensure that you are receiving the best available medical treatment. These physicians also keep in constant communication with your family physician and your family, depending on the severity of your condition.

When calling collect while travelling outside Canada and the United States, you may require a Canada Direct Calling Code. In the event that a collect call is not possible, keep your receipts for phone calls made to GSC Travel Assistance and submit them for reimbursement upon your return to Canada.

Travel Limitations

1. Coverage becomes effective at the time you or your dependent crosses the provincial border departing from their province of residence and terminates upon crossing the border returning to their province of residence on the return home. If traveling by air, coverage becomes effective at the time the aircraft takes off in the province of residence and terminates when the aircraft lands in the province of residence on the return home;
2. Upon notification of the necessity for treatment of an accidental injury or medical emergency, GSC's Assistance Medical Team reserves the right to determine whether repatriation is appropriate if the patient's medical condition will require immediate or scheduled care. Such repatriation is mandatory, where the Assistance Medical Team determines that the patient is medically fit to travel and appropriate arrangements have been made to admit the patient into the provincial government health care system of their province of residence. Repatriation will ensure continued coverage under the plan. Should the patient opt not to be repatriated or elects to have such treatment or surgery outside their province of residence, the expense of such continuing treatment will not be an eligible benefit;

The patient must contact GSC Travel Assistance within 48 hours of commencement of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two;

3. Air ambulance services will only be eligible if:
 - they are pre-approved by GSC Travel Assistance
 - there is a medical need for you or your dependent to be confined to a stretcher or for a medical attendant to accompany you during the journey
 - you or your dependent are admitted directly to a hospital in your province of residence, and
 - medical reports or certificates from the dispatching and receiving legally qualified physicians are submitted to GSC Travel Assistance
 - proof of payment (including air ticket vouchers or air carrier invoices) is submitted to GSC Travel Assistance
4. If planning to travel in areas of political or civil unrest, or in areas where Global Affairs Canada (GAC) has issued a formal travel warning regarding non-essential travel, contact GSC Travel Assistance for pre-travel advice, as we may be unable to guarantee assistance services;
5. GSC reserves the right, without notice, to suspend, curtail or limit its services in any area in the event of political or civil unrest, including rebellion, riot, military uprising, labour disturbance or strike, act of God, or refusal of authorities in a foreign country to permit GSC to provide service. This includes travel in any area if at the time of booking the trip (including delay of travel), or before your departure date, Global Affairs Canada (GAC) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city due to a likely or actual epidemic or pandemic, (non-essential travel will be deemed as anything other than a significant medical or family emergency, such as the death of a family member);

Travel Exclusions

In addition to the General Overall Exclusions, eligible benefits do not include and reimbursement will not be made for:

1. Any expenses incurred for the treatment related directly or indirectly to a pre-existing or pre-diagnosed medical condition that, at the time of your departure from your province of residence, was not completely stable (in the opinion of GSC Assistance Medical Team) and where medical evidence suggested a reasonable expectation that treatment or hospitalization could be required while traveling. GSC reserves the right to review your medical information at the time of claim.
2. Any expenses incurred for treatment or surgery that is not required for the immediate relief of acute pain or suffering as recommended by a legally qualified physician or surgeon. Eligible benefits will not be reimbursed for treatment or surgery that could reasonably be delayed until you return to your province of residence;
3. Any expenses incurred for treatment or surgery not covered under your provincial health insurance plan or for expenses incurred for treatment or surgery towards which your provincial health insurance plan has not provided payment;
4. Any expenses incurred for services, treatment or surgery received once the patient has opted to not be repatriated or elects to have such treatment or surgery outside their province of residence;
5. Any claims arising directly or indirectly from any medical condition you suffer or contract in a specific country, region or city due to an epidemic or pandemic, if at the time of booking the trip (including delay of travel), or before your departure date, Global Affairs Canada (GAC) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city. In this exclusion a medical condition is limited to the reason for which the formal travel warning was issued and includes complications arising from such medical condition;
6. Treatment or services required for ongoing care, rest cures, health spas, elective surgery, check-ups or travel for health purposes, even if the trip is on the referral of a physician;
7. Treatment or service that you elect to have performed outside Canada when the medical condition would not prevent your return to Canada for such treatment;
8. Abusive or excessive consumption of medication, drugs or alcohol and the ensuing consequences, including, and as a result of, in connection with or in any way associated with driving a motorized vehicle while impaired by drugs, alcohol or toxic substances or an alcohol level of more than 80 milligrams in 100 millilitres of blood. (A motorized vehicle means any form of transportation which is propelled or driven by a motor and includes, but is not restricted to an automobile, truck, motorcycle, moped, snowmobile, or boat);
9. Amounts paid or payable under any Workplace Safety and Insurance Board or similar plan;
10. Hospital and medical care for childbirth occurring within 8 weeks of the expected delivery date from the date of departure, or deliberate termination of pregnancy;
11. Treatment or service provided in a chronic care or psychiatric hospital, chronic unit of a general hospital, Long-Term Care (LTC) Facility, health spa, or nursing home;
12. Services received from a chiropractor, chiropodist, podiatrist, or for osteopathic manipulation;

- 13. Cataract surgery or the purchase of eyeglasses or hearing aids;
- 14. Any expenses incurred during any trip taken for the purpose of seeking medical treatment or advice that have not been previously authorized as outlined in referral services

GSC does not assume responsibility for nor will it be liable for any medical advice given, but not limited to a physician, pharmacist or other healthcare provider or facility recommended by GSC Travel Assistance.

DENTAL

- Your deductible is nil
- Your maximum for Basic Services, Comprehensive Basic Services and Dentures is unlimited
- Your maximum for Crowns, Bridges and Bridge Repairs is \$1,500 per calendar year
- Your lifetime maximum for Orthodontic services is \$2,000
- Stated maximums are expressed in Canadian dollars
- Your co-insurance which is applied to the eligible allowed amount is 100% for Basic services and Comprehensive basic services, 50% for Major services and Orthodontic services
- Basic services cover recalls once every 9 months, other exams and full mouth X-rays every 3 years
- Comprehensive basic services cover denture relines once every 3 years
- Major services cover standard dentures, crowns and bridges once every 5 years
- Applicable lab, drug and other expenses are eligible to a maximum of 40% of the allowable professional fee. Any applicable co-payment is then applied
- Your eligible claims are reimbursed at the level stated above and in accordance with:
 - the current Ontario Dental Association Fee Guide for General Practitioners
 - for independent Dental Hygienists, the lesser of the, current Ontario Dental Hygienists' Association Fee Guide and Ontario Dental Association Fee Guide for General Practitioners

Claim payments are made payable to you. You cannot authorize payment to be made to a dentist who has rendered services, treatments or supplies.

Basic Services

- Recalls include exams, bitewing X-rays, preventive cleanings, oral hygiene instruction and fluoride treatments
- Mouth guards once every 12 months
- Complete, general or comprehensive oral exams, full mouth X-rays and panoramic X-rays
- Basic restorations, fillings and inlays
- Extractions and surgical services
- General anaesthesia, deep sedation, and intravenous sedation in conjunction with eligible oral surgery only

Comprehensive Basic Services

- Endodontic treatment including standard root canal therapy, excluding retreatments
- Periodontal treatment including scaling and/or root planing
- Standard denture services including relining and rebasing of dentures only after 6 months have elapsed from the installation of a denture

Major Services

- Standard dentures, complete, immediate and partial
- Denture adjustments only after 3 months have elapsed from the installation of a denture
- Standard crown restorations or onlays on natural teeth
- Repair or recementing of crowns, onlays and bridgework on natural teeth
- Standard bridges, including pontics, abutment retainers/crowns on natural teeth

Orthodontic Services

- Orthodontic treatment to straighten teeth and correct the bite
- When a lump sum fee has been paid toward orthodontic treatment, the total amount of the claim will be split into separate portions to allow for payment of an initial fee (approximately one-third of the total lump sum), and the balance of the claim will be divided into monthly fees of equal amounts to be reimbursed over the duration of the treatment. Receipts for payment must be received by GSC no later than 12 months from the date the service is incurred while treatment is in progress, not at the end of the treatment
- If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefit for the remaining services, will be resumed. The benefit payment for orthodontic services will be only for the months that coverage is in force

Alternate Treatment

The group benefit plan will reimburse the amount shown in the Fee Guide for the least expensive service or supply, provided that both courses of treatment are a benefit under the plan.

Predetermination

Before your treatment begins:

- for all proposed treatment for crowns, onlays and bridges, an estimate completed by your dental practitioner, **must** be submitted for assessment. Our assessment of the proposed treatment, may result in a lesser benefit being payable or may result in benefits being denied. Failure to submit an estimate prior to beginning your treatment will result in the delay of the assessment.
- if the total cost of any other proposed treatment is expected to exceed \$300, it is recommended that you submit an estimate completed by your dental practitioner.

GENERAL INFORMATION

GENERAL OVERALL EXCLUSIONS

Eligible Services do not include and reimbursement will not be made for:

1. services or supplies received as a result of disease, illness or injury due to:
 - a) an act of war, declared or undeclared;
 - b) participation in a riot or civil commotion; or
 - c) committing a criminal offence;
2. services or supplies provided while serving in the armed forces of any country;
3. failure to keep a scheduled appointment with a legally qualified medical or dental practitioner;
4. the completion of any claim forms and/or insurance reports;
5. any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service;
 - c) is administered in a hospital or is required to be administered in a hospital in accordance with Health Canada's approved indication for use;
 - d) is not dispensed by the pharmacist in accordance with the payment method used for Prescription Drugs;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;
6. service and charges for sleep dentistry;
7. services or supplies that:
 - a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of GSC) medical practitioner or dental practitioner as permitted by law;
 - b) are legally prohibited by the government from coverage;
 - c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than GSC, your plan sponsor or you;
 - d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
 - e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
 - f) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
 - g) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
 - h) are a replacement of lost, missing or stolen items, or items that are damaged due to negligence.

- i) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;
- j) would normally be paid through any provincial health insurance plan, worker's compensation board or tribunal, the Assistive Devices Program or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made;
- k) were previously provided or paid for by any governmental body or agency, but which have been modified, suspended or discontinued as result of changes in provincial health plan legislation or de-listing of any provincial health plan services or supplies;
- l) may include but are not limited to, drugs, laboratory services, diagnostic testing or any other service which is provided by and/or administered in any public or private health care clinic or like facility, medical practitioner's office or residence, where the treatment or drug does not meet the accepted standards or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
- m) are provided by a medical practitioner who has opted out of any provincial health insurance plan and the provincial health insurance plan would have otherwise paid for such eligible service;
- n) relates to treatment of injuries arising out of a motor vehicle accident;
- o) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

CO-ORDINATION OF BENEFITS (COB)

Where you or your dependents have coverage with more than one carrier, claims will be co-ordinated so that reimbursement from all coverage will not exceed 100% of the actual claim. Visit our web site at greenshield.ca or call our Customer Service Centre at 1.888.711.1119 for information on COB.

SUBROGATION

GSC retains the right to subrogation if benefits have or should have been paid or provided by a third party. In cases of third party liability, you must advise your lawyer of these rights.

PLAN MEMBER ONLINE SERVICES

In addition to this booklet and our Customer Service Centre, we also provide you with access to our secure website. Self-service through the GSC website makes things quick, convenient and easy. Register today to:

- View your Benefit Plan Booklet
- Access your personal claims information, including a breakdown of how your claims were processed
- Simulate a claim to instantly find out what portion of a claim will be covered
- Search for a drug to get information specific to your own coverage (or coverage for your family)
- Search for eligible dental, paramedical, and vision care providers in a particular location (within Canada)
- Search for vision and hearing care providers who offer discounts to GSC plan members through our Preferred Provider Network
- Arrange for claim payments to be deposited directly into your bank account
- Print personalized claim forms and replacement Identification Cards
- Print personal Explanation of Benefits statements for when you need to co-ordinate benefits

Register online at greenshield.ca and see what our website can do for you!

GROUP CONVERSION - PRISM CONTINUUM® PROGRAM

The PRISM CONTINUUM® Program offers plans that are focused on providing coverage for you if you are leaving a company group plan.

This program may be your solution if you, your spouse or dependent children are losing, or have lost company group health benefits within the last 60 days and are looking for guaranteed coverage.

Call 416.601.0429 in the Toronto area or toll-free at 1.800.667.0429 for an information package or visit our website at greenshield.ca. Coverage is guaranteed if you apply within 60 days of losing your GSC group benefits.

OUR COMMITMENT TO PRIVACY

The GSC Privacy Code balances the privacy rights of our group and benefit plan members and their dependents, and our employees, with the legitimate information requirements to provide customer service.

To read our privacy policies and procedures, please visit us at greenshield.ca.

your group benefits

Contract Number: 102434
Effective: September 1, 2017
Issued: September 21, 2017



Windsor Canada Utilities
ENWIN Utilities Ltd. - Services Union Employees

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How to Connect with Sun Life Financial



Questions?

We're here to help. Talk to a Sun Life Financial Customer Care representative for assistance with your coverage by calling toll-free at 1-800-361-6212.

For faster service, have your **group contract number** and **member ID** ready to enter into our automated telephone system.

All other inquiries

Call 1-877-SUN-LIFE (1-877-786-5433).

Benefit Summary



Contract Number 102434

This is a summary of the coverage your plan provides. You should read it together with the information in the rest of this booklet. Please see the related sections of this booklet for more information, including exclusions, limitations and other conditions that apply to your plan.

General Information

We, our and us	Throughout this booklet, <i>we</i> , <i>our</i> and <i>us</i> mean Sun Life Assurance Company of Canada
Waiting period	90 working days of continuous employment Any period during which you do not meet the eligibility requirements cannot be counted as part of the waiting period
Termination	Termination of coverage may vary from benefit to benefit as indicated in this Benefit Summary. Coverage may also end on an earlier date, as specified in the <i>General Information</i> section of this booklet.

Long-Term Disability

Maximum amount	60% of your monthly basic earnings up to a maximum of \$4,300 The maximum amount may be reduced by benefits and payments provided from other sources as described in the <i>Long-Term Disability</i> section of this booklet
Elimination period	17 weeks
Maximum benefit period	The period ending when you reach age 65 Benefits may also end on an earlier date as specified in the <i>Long-Term Disability</i> section of this booklet
Termination	The day you reach age 65 less the elimination period or the day you retire, whichever is earlier
Tax status	Your employer has indicated that it is paying all or a portion of the premium for this disability plan. Therefore, the benefit payments are taxable income.

Life

Employee Basic Life

	Class B6	Class BA6	Class BB6	Class BC6
Amount	150% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000
Maximum	\$600,000	\$600,000	\$600,000	\$600,000
Proof of good health	Approval required for coverage in excess of \$500,000, and any increase in that coverage of 25% or more or \$25,000, whichever is greater			
Termination	When you retire or reach age 70, whichever is earlier			

Employee Optional Life

	Class B6	Class BA6	Class BB6	Class BC6
Amount	Not applicable	25% of your annual basic earnings rounded to the next higher \$1,000	75% of your annual basic earnings rounded to the next higher \$1,000	125% of your annual basic earnings rounded to the next higher \$1,000
Maximum		\$400,000	\$400,000	\$400,000
Proof of good health		Approval required on the initial optional amount of coverage and any increase in that coverage requested by the employee		
Termination		When you retire or reach age 70, whichever is earlier		

Dependent Life

Amount	Spouse – \$10,000 Child – \$5,000
Termination	When you retire or reach age 70, whichever is earlier

Making Claims



There are time limits for making claims. You can find more on these time limits in the following chart. **If you fail to meet these time limits, you may not be entitled to some or all benefit payments.**

To assess a claim, we may ask you to send us the following documents:

- medical records or reports
- proof of payment
- itemized bills
- prescriptions
- other information we need.

Proof of claim is at your expense.

Instructions and Time Limits for Sending Us Your Claims

Use this handy reminder to help you meet the time limits for sending in your claim.

Type of claim	Starting the claims process	Limits and special instructions
Long-Term Disability	<p>Ask your employer for the claim forms and ensure that the following people complete them:</p> <ul style="list-style-type: none">• you,• your attending doctor, and• your employer. <p>The submission of these forms is your proof of claim.</p>	<p>You should submit your proof of claim at least 8 weeks prior to the completion of your elimination period, but in no event later than 90 days after the end of your elimination period.</p> <p>If your Long-Term Disability coverage terminates, you must advise us of the claim within 30 days of the date the coverage terminates.</p> <p>We will assess the claim and send you or your employer a letter outlining our decision.</p> <p>From time to time, we can require that you provide us with proof of your continued total disability. We must be provided with this information within 90 days of the request.</p>

Type of claim	Starting the claims process	Limits and special instructions
Life coverage	Ask your employer to provide the claim forms.	<p>If the claim is a result of a death: We must receive the claim form as soon as possible after the death occurred.</p> <p>For coverage during total disability: We must receive the proof of total disability within 12 months of the date the disability begins. After that, we can require that you provide us with ongoing proof that you are still totally disabled.</p>

General Information



The information in this employee benefits booklet is important to you. It provides the information you need about the group benefits available through your employer's group contract with Sun Life Assurance Company of Canada (*Sun Life*), a member of the Sun Life Financial group of companies.

This booklet is only a summary of your employer's group contract. If there are any discrepancies between the group contract and the information in this booklet, the group contract will take priority, to the extent permitted by law.

Your group benefits may be modified after the effective date of this booklet. We will notify you in writing of any changes to your group plan. Any such notices will become part of this group benefits booklet and you should keep them in a safe place together with this booklet.

Have questions? Need more information about your group benefits? Talk to your employer.

Classes	<p>This booklet describes the coverage for the following classes of employees:</p> <ul style="list-style-type: none">• Class B6 – EnWin Service - Union Employees - Option Plan 1• Class BA6 – EnWin Service - Union Employees - Option Plan 2• Class BB6 – EnWin Service - Union Employees - Option Plan 3• Class BC6 – EnWin Service - Union Employees - Option Plan 4
Who is eligible to receive benefits?	<p>To be eligible for group benefits, you must reside in Canada and meet all the following conditions:</p> <ul style="list-style-type: none">• you are a permanent employee working in Canada.• you are actively working for your employer at least 20 hours a week.• you have completed the waiting period indicated in the Benefit Summary. <p>Your dependents become eligible for coverage on the later of the following dates:</p> <ul style="list-style-type: none">• on the date you become eligible for coverage, or• on the date they become your dependent. <p>You must apply for coverage for yourself in order for your dependents to be eligible.</p>
Who qualifies as your dependent	<p>Your dependent must be:</p> <ul style="list-style-type: none">• your spouse or your child, and• residing in Canada or the United States. <p>Your spouse qualifies as your dependent if they are your spouse in one of the following ways:</p> <ul style="list-style-type: none">• by marriage.• under any other formal union recognized by law.• as your partner of the opposite sex or of the same sex who is living with you and has been living with you in a conjugal relationship. <p>You can only cover one spouse at a time.</p> <p>Your children and your spouse's children (other than foster children) are eligible dependents if they are under age 21 and do not have a spouse.</p> <p>A child who is a full-time student under age 25 is also considered an eligible dependent as long as the child is dependent on you for financial support and does not have a spouse.</p>

	<p>If a child becomes disabled before the maximum age and remains continuously disabled, we will continue coverage if they are not able to support themselves financially because of a disability and must rely on you financially. The exception is if they have a spouse.</p> <p>In these cases, you must inform Sun Life within 6 months of the date the child attains the maximum age for this plan. Ask your employer for more on this.</p>
How to enrol	<p><i>For you</i> – You must provide the proper enrolment information to Sun Life through your employer.</p> <p><i>For a dependent</i> – You must ask for dependent coverage.</p> <p>If your enrolment request is not received within 31 days of becoming eligible to receive it – You will have to provide proof of good health at your own expense.</p> <p>You will need to provide proof of good health for the benefits listed below, as outlined in the Benefit Summary section at the beginning of this booklet. This coverage will not start before Sun Life has approved this proof of good health.</p> <ul style="list-style-type: none"> • Employee Basic Life • Employee Optional Life
When coverage begins	<p>Your coverage begins on the later of the following dates:</p> <ul style="list-style-type: none"> • the date you become eligible for coverage. • the date Sun Life approves your proof of good health, if required. <p>If you are not actively working on the date coverage would normally begin, your coverage will not begin until you return to active work.</p> <p>A dependent's coverage begins on the later of the following dates:</p> <ul style="list-style-type: none"> • the date your coverage begins. • the date you first have a dependent. • the date Sun Life approves the dependent's proof of good health, if required.
Changes affecting your coverage	<p>If proof of good health is required, the change cannot take effect before Sun Life approves the proof of good health.</p> <p>If you are not actively working when an increase in coverage occurs or when Sun Life approves proof of good health, the change cannot take effect before you return to active work.</p>
Updating your records	<p>To ensure that coverage is kept up-to-date, it is important that you report any of the following changes to your employer:</p> <ul style="list-style-type: none"> • change of dependents. • change of name. • change of beneficiary.
Accessing your records	<p>You may request copies of your records, including:</p> <ul style="list-style-type: none"> • your enrolment form or application for insurance. • any written statements or other record about your health that you provided to Sun Life in applying for coverage. • one copy of the insured contract. <p>We will not charge you for the first copy but we may charge a fee for further copies.</p>

	<p>Need a copy of a document? Contact one of the following:</p> <ul style="list-style-type: none"> • our website at www.mysunlife.ca. • our Customer Care centre, toll-free at 1-800-361-6212.
When coverage ends	<p>As an employee, your coverage will end on the earlier of the following dates:</p> <ul style="list-style-type: none"> • the date your employment ends for any reason other than retirement on pension. • the date you are no longer actively working. • the end of the period for which premiums have been paid to Sun Life for your coverage. • the date the group contract or the benefit provision ends. <p>A dependent's coverage terminates on the earlier of the following dates:</p> <ul style="list-style-type: none"> • the date your coverage ends. • the date the dependent is no longer an eligible dependent. • the end of the period for which premiums have been paid for dependent coverage. <p>The end of coverage may vary from benefit to benefit. For information about a specific benefit, please refer to the Benefit Summary section at the beginning of this booklet.</p>

If you die while covered by this plan

Coverage for your dependents will continue, without anyone paying further premiums, until **the earlier of** the following dates:

- 24 months after the date of your death.
- the date the person would no longer be considered your dependent under this plan if you were still alive.
- the date your coverage would have terminated if you were still alive.
- the date the benefit provision under which the dependent is covered ends.

When dependent coverage continues, it is subject to all other terms of the plan.

Legal actions

Limitation period for Ontario:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Limitations Act, 2002*.

Limitation period for any other province:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation of your province or territory.

Proof of disability

From time to time, Sun Life can require that you provide us with proof of your continued total disability. If you do not provide this information within 90 days of the request, you may not be entitled to some or all benefit payments.

Medical examination

We may require that you or your dependent have a medical examination if you make a claim. We will pay for the examination. If the person fails or refuses to have an examination, we will not pay any benefits.

Recovering overpayments

If we have overpaid any amount of benefit, we have the right to recover this money. We will:

- ask you to reimburse us,
- deduct that amount from other benefit payments, or
- recover that amount by any other legal means available.

Assignments

For Life benefits – You may not assign any rights or interests to anyone.

For all other benefits – We reserve the right to deny your request for an assignment.

Definitions

Here are the definitions of some terms that appear in this employee booklet. Other definitions that describe specific benefits appear in the benefit sections.

Appropriate treatment	Appropriate treatment is defined as any treatment that is performed and prescribed by a doctor or, when Sun Life believes it is necessary, by a medical specialist. It must be the usual and reasonable treatment for the condition and must be provided as frequently as is usually required by the condition. It must not be limited solely to examinations or testing.
Basic earnings	Basic earnings are the salary you receive from your employer excluding any bonus, overtime or incentive pay.
Doctor	A doctor is a physician or surgeon who is licensed to practice medicine where that practice is located.
Illness	An illness is a bodily injury, disease, mental infirmity or sickness. Any surgery needed to donate a body part to another person which causes total disability is an illness.
Retirement date	If you are totally disabled, your retirement date is your 65th birthday, unless you have actually retired before then.

Long-Term Disability



General description of the coverage

Long-Term Disability coverage provides a benefit if you become totally disabled. You qualify for this benefit if you provide proof of claim acceptable to Sun Life that confirms both of the following:

- you became totally disabled while covered, and
- you have been following appropriate treatment for the disability since it started.

For the purposes of your Long-Term Disability coverage:

- during the elimination period and the following 24 months (this period is known as the **own occupation period**), we consider you to be totally disabled while you are continuously unable due to an illness to perform the essential duties of your own occupation, in any workplace, including in a different department or location with your employer or with another employer, and
- afterwards, we will consider you to be totally disabled while you are continuously unable due to an illness to perform any occupation, for any employer, for which you are or may become reasonably qualified by education, training or experience.

The availability of work with any employer does not affect the determination of total disability.

We pay these benefits at the end of each month. We base them on your coverage on the date you became totally disabled.

See the table **Instructions and Time Limits for Sending Us Your Claims** at the beginning of this booklet for information about when and how to make a claim.

When disability payments begin	<p>Your Long-Term Disability payments begin on the later of the following dates:</p> <ul style="list-style-type: none">• after you have been totally disabled for the uninterrupted period indicated in the Benefit Summary.• after the last day benefits are payable under any short-term disability, loss of income or other salary continuation plan. <p>This period, which must be completed before disability benefits become payable is called the elimination period.</p>
What we will pay	<p>Here is how we calculate your Long-Term Disability payments. All references to benefits and payments in this disability provision are to the gross amounts before any deductions.</p> <p>Step 1: We take the maximum amount indicated in the Benefit Summary.</p> <p>Step 2: We subtract any benefits or payments provided under:</p> <ul style="list-style-type: none">• any government-sponsored plan such as the Canada Pension Plan and the Québec Pension Plan, excluding any benefits or payments on behalf of a dependent, for the same or a subsequent disability.• any Workers' Compensation Act or similar law for the same or a subsequent disability.• a motor vehicle insurance plan.• a group plan, including any coverage you have because you are a member of an association but excluding any benefits or payments provided under a Critical Illness plan.• a retirement or pension plan funded in whole or in part by your employer, due to your disability or a medical condition.• the Québec Parental Insurance Plan.

The result from Step 2 is the amount you will normally receive.

Take the result you got in Step 2, add the above sources of benefits and payments plus the other sources of benefits and payments listed below and check the total you get. If it's more than 85% of your basic earnings when your disability began, we will reduce your Long-Term Disability payment by the excess. If the benefit is non-taxable, your income after income tax is the one we use.

Other sources of benefits and payments:

- any Workers' Compensation Act or similar law for another disability.
- any Criminal Injuries Compensation Act or similar law.

Important to remember:

- If you are eligible for any of the benefits or payments described above and do not apply for them, we will still consider them. We can estimate those benefits and payments and use them when we calculate your Long-Term Disability payments.
- If any of the benefits or payments described above are provided in a lump sum, we will determine the equivalent compensation this represents on a monthly basis using generally accepted accounting principles.
- We will not take into account any benefits or payments that began before your disability began. However, increases in those benefits or payments as a result of your disability will be taken into account.
- We have the right to adjust your Long-Term Disability benefit payments when appropriate under the above provision.

Interrupted periods of disability after payments begin

If you had a total disability for which we paid Long-Term Disability benefits and total disability reoccurs due to the same or related causes, we will consider it a continuation of your previous disability if it occurs within 6 months of the end of your previous disability.

We will base these benefits on your coverage as it existed on the original date you become totally disabled.

Rehabilitation / Partial disability program

Sun Life may require you to participate in a partial disability or rehabilitation program that we have approved in writing.

This may include one or more of the following:

- consulting our rehabilitation specialist,
- part-time work,
- working in another occupation or vocational training to help you become capable of full-time employment.

During your rehabilitation program, you may receive Long-Term Disability payments plus income, benefits and payments from other sources.

However, if during any month the total of any income, benefits and payments provided is more than 100% of your basic earnings when your disability began, indexed for inflation, your Long-Term Disability payment will be reduced by the excess. If the benefit is non-taxable, your income after income tax is the one we use.

You should consider participating in a partial disability or rehabilitation program as soon as possible after becoming disabled. If you enter a partial disability or rehabilitation program during the elimination period, it will not be considered an interruption of the elimination period.

Your participation in a partial disability program will be limited to the own occupation period.

If you recover damages from another person

We have the right to part of any money you recover through legal action or settlement from another person, organization or company who caused your disability.

If you decide to take legal action, you must comply with the applicable terms of the group contract concerning legal action.

For disability benefits paid or payable prior to the date of judgment or settlement, if you recover money, you must pay us 75% of your net recovery or the total disability benefits paid or payable to you under this plan, whichever is less. For disability benefits payable after a judgment or settlement, where 75% of your net recovery exceeds the amount that we recover for past disability benefits, we have the right to deduct that excess from ongoing disability benefits. Refer to your group contract for more information.

What you are responsible to do

During your total disability, you must make reasonable efforts to do all of the following. If you do not, Sun Life may hold back or discontinue benefits.

- recover from your disability, including participating in any reasonable treatment or rehabilitation program and accepting any reasonable offer of modified duties from your employer.
- return to your own occupation during the first 24 months that benefits are payable.
- receive training to qualify for another occupation if it becomes apparent that you will not be able to return to your own occupation within the first 24 months that benefits are payable.
- try to get work in another occupation after the first 24 months that benefits are payable.
- obtain benefits that may be available from other sources.

When payments end

Your Long-Term Disability payments end **on the earlier of** the following dates:

- the date you are no longer totally disabled.
- the end of the maximum benefit period indicated in the Benefit Summary.
- the last day of the month in which you retire with a pension or are eligible to retire with a full pension or a full pension equivalent.
- the last day of the month in which you die.

When coverage ends

See the Benefit Summary at the beginning of this booklet to see when your coverage ends.

What is not covered

We will not pay benefits for any period where one or more of the following is true:

- you are not receiving appropriate treatment.
- you do any work for wage or profit except where Sun Life has approved it in advance.
- you are not participating in an approved partial disability or rehabilitation program, if required by Sun Life.
- you are on a leave of absence, strike or lay-off.
- you are absent from Canada longer than 4 months due to any reason.
- you are serving a prison sentence or are confined in a similar institution.

We do not pay benefits if you become totally disabled within 12 months after your coverage begins and your disability results directly or indirectly from a condition which existed on or before the date your coverage began. However, this limitation will not apply to you if you have been covered for Long-Term Disability with your employer for at least 13 weeks during which:

- you have been actively working continuously (up to 3 days of absence does not count), and
- you have not been treated for the condition by a doctor or any medical personnel under the direction of a doctor.

If your coverage ends but you are covered again under this plan, we will use the latest date your coverage began when applying the above limitation.

We will not pay benefits for total disability resulting from:

- the hostile action of any armed forces, insurrection or participation in a riot or civil commotion.
- intentionally self-inflicted injuries.
- participation in a criminal offence.

Waiver of premium

Long-Term Disability premiums will be waived while you are receiving Long-Term Disability benefits.

Life Coverage



General description of the coverage

Your Life coverage provides a benefit for your beneficiary if you die while covered. Your dependents' Life coverage provides a benefit if one of your dependents dies while covered.

See the Benefit Summary at the beginning of this booklet to see the amount of coverage and the date coverage ends.

See the table **Instructions and Time Limits for Sending Us Your Claims** at the beginning of this booklet for information about when and how to make a claim.

Who we will pay	<p>If you die while covered, we will pay the full amount of your benefit to your last named beneficiary on file with us.</p> <p>If you have not named a beneficiary, we will pay the benefit amount to your estate. Anyone can be your beneficiary. You can change your beneficiary at any time, unless a law prevents you from doing so or you indicate that the beneficiary is not to be changed.</p> <p>If a dependent dies, we will pay you the benefit for that dependent.</p> <p>Fact If you designated a beneficiary under a previous group plan of the employer, we will apply and carry it forward to your coverage under this plan until you change it.</p> <p>There are different rules for designating a minor beneficiary, please refer to your contract for specific information.</p>
Suicide	<p>If you have any optional coverage that has been in effect for less than 2 years, we will not pay benefits if death is by suicide, while sane or insane.</p>
Coverage during total disability	<p>Life coverage may continue without the payment of premiums if you become totally disabled before you retire or reach age 65, whichever is earlier, as long as you are totally disabled. This continued coverage must follow the terms of the contract which were in effect on the date you became totally disabled, including reductions and terminations.</p> <p>There are a number of rules and conditions in the group contract that apply to coverage during total disability. Please contact your employer for details.</p>

Converting Life coverage

If your Life coverage or your spouse's Life coverage ends or reduces for any reason other than your request, you or your spouse may apply to convert the group Life coverage to an individual Life policy with Sun Life without providing proof of good health.

Where necessary in order to comply with applicable legislation: If your child's Life coverage ends because your Life coverage has ended, you may apply to convert the group Life coverage for your child to an individual Life policy with Sun Life without providing proof of good health.

The request must be made within 31 days that the Life coverage reduces or ends.

Important

There are a number of rules and conditions in the group contract that apply to converting this coverage, including the maximum amount that can be converted. Please contact your employer for details.

Your Group Benefits (B6, BA6, BB6 and BC6)

Respecting your privacy

Respecting your privacy is a priority for the Sun Life Financial group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit www.sunlife.ca/privacy.

You have a choice

We will occasionally inform you of other financial products and services that we believe meet your changing needs. If you do not wish to receive these offers, let us know by calling 1-877-SUN-LIFE (1-877-786-5433).



About Sun Life Financial

A market leader in group benefits, Sun Life Financial serves more than one in six Canadians, in over 12,000 corporate, association, affinity and creditor groups across Canada.

Our Core values – integrity, service excellence, customer focus and building value – are at the heart of who we are and how we do business.

Sun Life Financial and its partners have operations in 22 key markets worldwide including Canada, the United States, the United Kingdom, Hong Kong, the Philippines, Japan, Indonesia, India, China and Bermuda.

Life's brighter under the sun

Group Benefits are provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

GB10171-E





ATTACHMENT 4 – F.3

ENWIN Employee Benefit Booklet – Non-Union

MY BENEFIT PLAN BOOKLET

Enwin Utilities

Classification: Utilities Management

Billing Division: 19442

Revised Effective Date: November 1, 2015

Services shown below will be eligible if they are usual, reasonable and customary, and are medically necessary for the treatment of an illness or injury. Please contact your benefits administrator or Green Shield Canada (GSC) Customer Service Centre at 1.888.711.1119 to determine benefit eligibility and coverage details. All claims must be received by GSC no later than 12 months from the date the eligible service was incurred.

Co-insurance means the percentage of the eligible amount that you are entitled to receive after satisfaction of the deductible.

Co-payment means the amount that you are required to pay.

TERMINATION

Your coverage will end on the earliest of the following dates:

- a) the date your employment ends;
- b) the date you are no longer actively working;
- c) the end of the period for which rates have been paid to GSC for your coverage; or
- d) the date the group contract terminates.

PRESCRIPTION DRUGS

- Your overall maximum is Unlimited
- A co-payment of \$5 applies to each prescription
- Ontario residents only: The Ontario Drug Benefit co-pay/deductible for seniors **is** a benefit
- Mandatory generic drug substitution applies
- Quebec residents only: Legislation states that GSC is obligated to follow RAMQ reimbursement guidelines for all residents of Quebec. For those 65 years of age and under, GSC is primary payer.

Prescription drug benefits are eligible if they:

- a) are prescribed by a legally qualified medical practitioner or dental practitioner as permitted by law; and
- b) legally require a prescription and have a Drug Identification Number (DIN).

If approved by GSC, this plan includes drugs with a Drug Identification Number (DIN) that do not legally require a prescription, including insulin and all other approved injectables, as well as related supplies such as diabetic syringes, needles and testing agents and limited access drugs. In addition, this plan includes all vaccines.

Benefits do not include smoking cessation products (other than smoking cessation oral drugs).

EXTENDED HEALTH SERVICES

- Your deductible is Nil
- Your overall maximum is Unlimited
- Stated maximums are expressed in Canadian dollars
- Your co-insurance for Extended Health Services is 100%

Emergency Transportation

Ambulance Transportation, for land or air ambulance to the nearest hospital equipped to provide the required treatment, up to a maximum of \$100 per trip.

Accidental Dental

Accidental Dental benefits for treatment by a dentist. A dental accident report form must be submitted immediately following the accident.

Hospital Accommodation

- Semi-Private Room in a public general hospital
- Private Room in a public general hospital, up to a maximum of \$1,000 per lifetime

Long-Term Care (LTC) Facility

Reimbursement of up to \$10,000 per lifetime. Prior approval is necessary.

Audio

Reimbursement will be made for the acquisition cost of the standard hearing aid by the provider, plus the pre-determined dispensing fee, once every 3 years. Batteries are not eligible.

Medical Items

Standard Prosthetic Appliances and Durable Medical Equipment as well as replacements, repairs, fittings and adjustments of such devices. Contact the Customer Service Centre to verify eligibility of a particular benefit.

Private Duty Nursing in the Home

Private duty nursing benefits carry a lifetime maximum of \$10,000 for the services of a Registered Nurse (R.N.) in the home on a shift basis.

Professional Services

- Physiotherapist: reasonable and customary charges for services
- Psychologist: \$35 for the first visit and \$20 per hour for each subsequent visit, up to a maximum of \$200 per calendar year
- Chiropractor and Registered Massage Therapist (medical referral required): up to a combined maximum of \$800 per calendar year
- Osteopath or Podiatrist/Chiropodist: up to a maximum of \$300 per practitioner per calendar year
- Speech Therapist: up to a maximum of \$200 per calendar year

NOTE:

- Podiatry services are eligible in coordination with your Ontario health insurance plan
- Professional Services are only eligible when the practitioner rendering the service is a member in good standing with their provincial regulatory agency or an active member of a professional association, either of which must be recognized by GSC. Please contact the GSC Customer Service Centre to confirm eligibility when in doubt

Vision

- Your Vision benefit carries a maximum of \$350 every 24 months for prescription eye glasses or contact lenses, or medically necessary contact lenses, or laser eye surgery, provided they are dispensed by an Optometrist, an Optician or an Ophthalmologist

Commencement of your benefit period is based on the initial date you receive vision benefits. This is the date of service (**payment in full**) of the eyewear.

Eye examinations performed by a registered, licensed Optometrist or Physician limited to one exam every 24 months, up to a maximum of \$85 (available only where eye examinations are not covered by the Provincial Health Insurance Plan).

TRAVEL

- Travel benefits are eligible for the first **180** days per trip
- Your maximum is \$1,000,000 per covered person per calendar year for Emergency Services and \$50,000 per calendar year for Referral Services
- Hospital and medical services are eligible only if your provincial health insurance plan provides payment toward the cost of incurred services
- Deductible and co-payments do not apply to Travel

Expenses arising as a result of a medical emergency while you or an eligible dependent are temporarily outside of your regular province of residence for vacation, business, or education will be considered eligible under the Travel benefit.

To qualify for benefits, the claimants must be covered by their respective provincial government health plan or equivalent at the time the expenses are incurred.

Eligible travel benefits will be considered based on the reasonable and customary charges in the area where they were received, less the amount payable by your provincial health insurance plan.

All dollar maximums and limitations are stated in Canadian currency. Reimbursement will be made in Canadian funds or U.S. funds for both providers and plan members, based on the country of the payee. For payments that require currency conversion, the rate of exchange used will be the rate in effect on the date of service of the claim.

Upon notification of the necessity for treatment of an accidental injury or medical emergency, **the patient must contact GSC Travel Assistance within 48 hours of commencement of treatment.**

Emergency means a sudden, unexpected injury, illness or acute episode of disease that requires immediate medical attention **and could not have been reasonably anticipated based upon the patient's prior medical condition.** This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

Any invasive or investigative procedures must be pre-approved by GSC Assistance Medical Team.

Eligible benefits are limited to the maximum days per trip as shown above commencing with the date of departure from your province of residence. If you are hospitalized on the last day shown above, your benefits will be extended until the date of discharge.

1. **Hospital services and accommodation** up to a standard ward rate in a public general hospital;
2. **Medical/surgical services** rendered by a legally qualified physician or surgeon to relieve the symptoms of, or to cure an unforeseen illness or injury;
3. **Emergency Transportation**
 - **Land ambulance** to the nearest qualified medical facility
 - **Air ambulance** - the cost of air evacuation (including a medical attendant when necessary) between hospitals and for hospital admission into Canada when approved in advance by your provincial health insurance plan or to the nearest qualified medical facility

4. **Referral services** – (a) hospital services and accommodation, up to a standard ward rate in a public general hospital, and/or (b) medical surgical services rendered by a legally qualified physician or surgeon;
 - **Prior to the commencement of any referral treatment, written pre-authorization** from your provincial health insurance plan and GSC **must be obtained**. Your provincial health insurance plan may cover this referral benefit entirely. You must provide GSC with a letter from your attending physician stating the reason for the referral, and a letter from your provincial health insurance plan outlining their liability. **Failure to comply in obtaining pre-authorization will result in non-payment**
5. **Services of a registered private nurse** up to a maximum of \$5,000 per calendar year, at the reasonable and customary rate charged by a qualified nurse (R.N.) registered in the jurisdiction in which treatment is provided. You must contact GSC Travel Assistance for pre-approval;
6. **Diagnostic laboratory tests and X-rays** when prescribed by the attending physician. Except in emergency situations, GSC Travel Assistance must pre-approve these services (i.e. cardiac catheterization or angiogram, angioplasty and bypass surgery);
7. **Reimbursement of prescriptions** for drugs, serums and injectables which require a prescription by law and are prescribed by a legally qualified medical practitioner (vitamins, patent and proprietary drugs are excluded). Submit to GSC Travel Assistance the original paid receipt from the pharmacist, physician or hospital outside your province of residence showing the name of the prescribing physician, prescription number, name of preparation, date, quantity and total cost;
8. **Medical appliances** including casts, crutches, canes, slings, splints and/or the temporary rental of a wheelchair when deemed medically necessary and required due to an accident which occurs, and when the devices are obtained outside your province of residence;
9. **Treatment by a dentist** only when required due to a direct accidental blow to the mouth up to a maximum of \$2,000. Treatments (prior to and after return) must be provided within 90 days of the accident. Details of the accident must be provided to GSC Travel Assistance along with dental X-rays;
10. **Coming Home** - when your emergency illness or injury is such that:
 - GSC Assistance Medical Team specifies in writing that you should immediately return to your province of residence for immediate medical attention, reimbursement will be made for the extra cost incurred for the purchase of a one way economy airfare, plus the additional economy airfare if required to accommodate a stretcher, to return you by the most direct route to the major air terminal nearest the departure point in your province of residence

This benefit assumes that you are not holding a valid open-return air ticket. Charges for upgrading, departure taxes, cancellation penalties or airfares for accompanying family members or friends are not included;

 - GSC Assistance Medical Team or commercial airline stipulates in writing that you must be accompanied by a qualified medical attendant, reimbursement will be made for the cost incurred for one round trip economy airfare and the reasonable and customary fee charged by a medical attendant who is not your relative by birth, adoption or marriage and is registered in the jurisdiction in which treatment is provided, plus overnight hotel and meal expenses if required by the attendant

- 11. Cost of returning your personal use motor vehicle** to your residence or nearest appropriate vehicle rental agency when you are unable to do so due to sickness, physical injury or death, up to a maximum of \$1,000 per trip. We require original receipts for costs incurred, i.e. gasoline, accommodation and airfares;
- 12. Meals and accommodation** up to \$1,500 (maximum of \$150 per day for up to 10 days) will be reimbursed for the extra costs of commercial hotel accommodation and meals incurred by you when you remain with a travelling companion or a person included in the "family" coverage, when the trip is delayed or interrupted due to an illness, accidental injury to or death of a travelling companion. This must be verified in writing by the attending legally qualified physician or surgeon and supported with original receipts from commercial organization;
- 13. Transportation to the bedside** including round trip economy airfare by the most direct route from your province of residence, for any one spouse, parent, child, brother or sister, and up to \$150 per day for a maximum of 5 days for meals and accommodation at a commercial establishment will be paid for that family member to:
- be with you or your covered dependent when confined in hospital. This benefit requires that the covered person must eventually be an inpatient for at least 7 days outside your province of residence, plus the written verification of the attending physician that the situation was serious enough to have required the visit
 - identify a deceased prior to release of the body
- 14. Return airfare** if the personal use motor vehicle of you or your covered dependent is stolen or rendered inoperable due to an accident, reimbursement will be made for the cost of a one-way economy airfare to return you by the most direct route to the major airport nearest your departure point in your province of residence. An official report of the loss or accident is required;
- 15. Return of deceased** up to a maximum of \$5,000 toward the cost of embalming or cremation in preparation for homeward transportation in an appropriate container of yourself or your covered dependent when death is caused by illness or accident. The body will be returned to the major airport nearest the point of departure in your province of residence. The benefit excludes the cost of a burial coffin or any funeral-related expenses, makeup, clothing, flowers, eulogy cards, church rental, etc;

GSC TRAVEL ASSISTANCE SERVICE

The following services are available 24 hours per day, 7 days per week through GSC's international medical service organization.

These services include:

- Access to Pre-trip Assistance (prior to departure): Canada Direct Calling Codes; information about vaccinations; government issued travel advisories; and VISA/document requirements for entry into country of destination
- Multilingual assistance
- Assistance in locating the nearest, most appropriate medical care
- International preferred provider networks
- GSC Assistance Medical Team consultative and advisory services, including second opinion and review of appropriateness and analysis of the quality of medical care
- Assistance in establishing contact with family, personal physician and employer as appropriate

- Monitoring of progress during treatment and recovery
- Emergency message transmittal services
- Translation services and referrals to local interpreters as necessary
- Verification of coverage facilitating entry and admissions into hospitals and other medical care providers
- Special assistance regarding the co-ordination of direct claims payment
- Co-ordination of embassy and consular services
- Management, arrangement and co-ordination of emergency medical transportation and evacuation as necessary
- Management, arrangement and co-ordination of repatriation of remains
- Special assistance in making arrangements for interrupted and disrupted travel plans resulting from emergency situations to include:
 - the return of unaccompanied travel companions
 - travel to the bedside of a stranded person
 - rearrangement of ticketing due to accident or illness and other travel related emergencies
 - the return of a stranded personal use motor vehicle and related personal items
- Knowledgeable legal referral assistance
- Co-ordination of securing bail bonds and other legal instruments
- Special assistance in replacing lost or stolen travel documents including passports
- Courtesy assistance in securing incidental aid and other travel related services
- Emergency and payment assistance for major health expenses, which would result in payments in excess of \$200

How Travel Assistance Service Works

For assistance dial **1.800.936.6226** within Canada and the United States or call collect **0.519.742.3556** when traveling outside Canada and the United States. These numbers appear on your GSC Identification card.

Quote the GSC travel assist group number and your GSC Identification Number, found on your GSC Identification card, and explain your medical emergency. **You must always be able to provide your GSC Identification Number and your provincial health insurance plan number.**

A multilingual Assistance Specialist will provide direction to the best available medical facility or legally qualified physician able to provide the appropriate care.

Upon admission to a hospital or when consulting a legally qualified physician or surgeon for major emergency treatment, we will guarantee the provider (hospital, clinic or physician), that you have both provincial health insurance plan coverage and GSC travel benefits as detailed above.

The provider may then bill GSC Travel Assistance directly for these approved services for amounts in excess of \$200.

GSC Assistance Medical Team will follow your progress to ensure that you are receiving the best available medical treatment. These physicians also keep in constant communication with your family physician and your family, depending on the severity of your condition.

When calling collect while travelling outside Canada and the United States, you may require a Canada Direct Calling Code. In the event that a collect call is not possible, keep your receipts for phone calls made to GSC Travel Assistance and submit them for reimbursement upon your return to Canada.

Travel Limitations

1. Coverage becomes effective at the time you or your dependent crosses the provincial border departing from their province of residence and terminates upon crossing the border returning to their province of residence on the return home. If traveling by air, coverage becomes effective at the time the aircraft takes off in the province of residence and terminates when the aircraft lands in the province of residence on the return home;
2. Upon notification of the necessity for treatment of an accidental injury or medical emergency, GSC's Assistance Medical Team reserves the right to determine whether repatriation is appropriate if the patient's medical condition will require immediate or scheduled care. Such repatriation is mandatory, where the Assistance Medical Team determines that the patient is medically fit to travel and appropriate arrangements have been made to admit the patient into the provincial government health care system of their province of residence. Repatriation will ensure continued coverage under the plan. Should the patient opt not to be repatriated or elects to have such treatment or surgery outside their province of residence, the expense of such continuing treatment will not be an eligible benefit;

The patient must contact GSC Travel Assistance within 48 hours of commencement of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two;

3. Air ambulance services will only be eligible if:
 - they are pre-approved by GSC Travel Assistance
 - there is a medical need for you or your dependent to be confined to a stretcher or for a medical attendant to accompany you during the journey
 - you or your dependent are admitted directly to a hospital in your province of residence, and
 - medical reports or certificates from the dispatching and receiving legally qualified physicians are submitted to GSC Travel Assistance
 - proof of payment (including air ticket vouchers or air carrier invoices) is submitted to GSC Travel Assistance
4. If planning to travel in areas of political or civil unrest, or in areas where Foreign Affairs and International Trade Canada (DFAIT) has issued a formal travel warning regarding non-essential travel, contact GSC Travel Assistance for pre-travel advice, as we may be unable to guarantee assistance services;
5. GSC reserves the right, without notice, to suspend, curtail or limit its services in any area in the event of political or civil unrest, including rebellion, riot, military uprising, labour disturbance or strike, act of God, or refusal of authorities in a foreign country to permit GSC to provide service. This includes travel in any area if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city due to a likely or actual epidemic or pandemic, (non-essential travel will be deemed as anything other than a significant medical or family emergency, such as the death of a family member);

Travel Exclusions

In addition to the General Overall Exclusions, eligible benefits do not include and reimbursement will not be made for:

1. Any expenses incurred for the treatment related directly or indirectly to a pre-existing or pre-diagnosed medical condition that, at the time of your departure from your province of residence, was not completely stable (in the opinion of GSC Assistance Medical Team) and where medical evidence suggested a reasonable expectation that treatment or hospitalization could be required while traveling. GSC reserves the right to review your medical information at the time of claim.
2. Any expenses incurred for treatment or surgery that is not required for the immediate relief of acute pain or suffering as recommended by a legally qualified physician or surgeon. Eligible benefits will not be reimbursed for treatment or surgery that could reasonably be delayed until you return to your province of residence;
3. Any expenses incurred for treatment or surgery not covered under your provincial health insurance plan or for expenses incurred for treatment or surgery towards which your provincial health insurance plan has not provided payment;
4. Any expenses incurred for services, treatment or surgery received once the patient has opted to not be repatriated or elects to have such treatment or surgery outside their province of residence;
5. Any claims arising directly or indirectly from any medical condition you suffer or contract in a specific country, region or city due to an epidemic or pandemic, if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city. In this exclusion a medical condition is limited to the reason for which the formal travel warning was issued and includes complications arising from such medical condition;
6. Treatment or services required for ongoing care, rest cures, health spas, elective surgery, check-ups or travel for health purposes, even if the trip is on the referral of a physician;
7. Treatment or service that you elect to have performed outside Canada when the medical condition would not prevent your return to Canada for such treatment;
8. Treatment or service required as a result of suicide, attempted suicide, intentionally self-inflicted injury of you, a traveling companion, or immediate family member while sane or insane;
9. Abusive or excessive consumption of medication, drugs or alcohol and the ensuing consequences, including, and as a result of, in connection with or in any way associated with driving a motorized vehicle while impaired by drugs, alcohol or toxic substances or an alcohol level of more than 80 milligrams in 100 millilitres of blood. (A motorized vehicle means any form of transportation which is propelled or driven by a motor and includes, but is not restricted to an automobile, truck, motorcycle, moped, snowmobile, or boat);
10. Amounts paid or payable under any Workplace Safety and Insurance Board or similar plan;
11. Hospital and medical care for childbirth occurring within 8 weeks of the expected delivery date from the date of departure, or deliberate termination of pregnancy;

12. Treatment or service provided in a chronic care or psychiatric hospital, chronic unit of a general hospital, Long-Term Care (LTC) Facility, health spa, or nursing home;
13. Services received from a chiropractor, chiropodist, podiatrist, or for osteopathic manipulation;
14. Cataract surgery or the purchase of eyeglasses or hearing aids;
15. Any expenses incurred during any trip taken for the purpose of seeking medical treatment or advice that have not been previously authorized as outlined in referral services

GSC does not assume responsibility for nor will it be liable for any medical advice given, but not limited to a physician, pharmacist or other healthcare provider or facility recommended by GSC Travel Assistance.

DENTAL

- Your deductible is Nil
- Your maximum for Basic, Comprehensive Basic and Dentures is Unlimited
- Your maximum for Crowns, Bridges and Bridge Repairs is \$2,500 per calendar year
- Your lifetime maximum for Orthodontic services is \$2,500
- Stated maximums are expressed in Canadian dollars
- Your co-insurance which is applied to the eligible allowed amount is 100% for Basic and Comprehensive basic services, 50% for Major services and 50% for Orthodontic services
- Basic services cover recalls once every 9 months, other exams and full mouth X-rays every 3 years
- Comprehensive basic services cover denture relines once every 3 years
- Major services cover standard dentures, crowns and bridges once every 5 years
- Applicable lab, drug and other expenses are eligible to a maximum of 40% of the allowable professional fee. Any applicable co-payment is then applied
- Your eligible claims are reimbursed at the level stated above and in accordance with:
 - the current Ontario Dental Association Fee Guide for General Practitioners
 - for independent Dental Hygienists, the lesser of the, current Ontario Dental Hygienists' Association Fee Guide and Ontario Dental Association Fee Guide for General Practitioners

Claim payments are made payable to you. You cannot authorize payment to be made to a dentist who has rendered services, treatments or supplies.

Basic Services

- Recalls include exams, bitewing X-rays, preventive cleanings and fluoride treatments
- Complete, general or comprehensive oral exams, full mouth X-rays and panoramic X-rays
- Basic restorations, fillings and inlays
- Extractions and surgical services
- General anaesthesia, deep sedation, and intravenous sedation in conjunction with eligible oral surgery only

Comprehensive Basic Services

- Endodontic treatment including standard root canal therapy, excluding retreatments
- Periodontal treatment including scaling and/or root planing
- Standard denture services including relining and rebasing of dentures only after 6 months have elapsed from the installation of a denture

Major Services

- Standard dentures, complete, immediate and partial
- Denture adjustments only after 3 months have elapsed from the installation of a denture
- Standard crown restorations or onlays on natural teeth
- Repair or recementing of crowns, onlays and bridgework on natural teeth
- Standard bridges, including pontics, abutment retainers/crowns on natural teeth

Orthodontic Services

- Orthodontic treatment to straighten teeth and correct the bite
- Subject to a usual and customary monthly cap as established by GSC

Alternate Treatment

The group benefit plan will reimburse the amount shown in the Fee Guide for the least expensive service or supply, provided that both courses of treatment are a benefit under the plan.

Predetermination

Before your treatment begins:

- for all proposed treatment for crowns, onlays and bridges, an estimate completed by your dental practitioner, **must** be submitted for assessment. Our assessment of the proposed treatment, may result in a lesser benefit being payable or may result in benefits being denied. Failure to submit an estimate prior to beginning your treatment will result in the delay of the assessment.
- if the total cost of any other proposed treatment is expected to exceed \$300, it is recommended that you submit an estimate completed by your dental practitioner.

GENERAL INFORMATION

GENERAL OVERALL EXCLUSIONS

Eligible Services do not include and reimbursement will not be made for:

1. services or supplies received as a result of disease, illness or injury due to:
 - a) intentionally self-inflicted injury while sane or insane;
 - b) an act of war, declared or undeclared;
 - c) participation in a riot or civil commotion; or
 - d) committing a criminal offence;
2. services or supplies provided while serving in the armed forces of any country;
3. failure to keep a scheduled appointment with a legally qualified medical or dental practitioner;
4. the completion of any claim forms and/or insurance reports;
5. any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service;
 - c) is administered in a hospital or is required to be administered in a hospital in accordance with Health Canada's approved indication for use;
 - d) is not dispensed by the pharmacist in accordance with the payment method used for Prescription Drugs;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;
6. service and charges for sleep dentistry;
7. services or supplies that:
 - a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of GSC) medical practitioner or dental practitioner as permitted by law;
 - b) are legally prohibited by the government from coverage;
 - c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than GSC, your plan sponsor or you;
 - d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
 - e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
 - f) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
 - g) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
 - h) are a replacement of lost, missing or stolen items, or items that are damaged due to negligence.
 - i) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;

- j) would normally be paid through any provincial health insurance plan, worker's compensation board or tribunal, the Assistive Devices Program or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made;
- k) were previously provided or paid for by any governmental body or agency, but which have been modified, suspended or discontinued as result of changes in provincial health plan legislation or de-listing of any provincial health plan services or supplies;
- l) may include but are not limited to, drugs, laboratory services, diagnostic testing or any other service which is provided by and/or administered in any public or private health care clinic or like facility, medical practitioner's office or residence, where the treatment or drug does not meet the accepted standards or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
- m) are provided by a medical practitioner who has opted out of any provincial health insurance plan and the provincial health insurance plan would have otherwise paid for such eligible service;
- n) relates to treatment of injuries arising out of a motor vehicle accident;
- o) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

CO-ORDINATION OF BENEFITS (COB)

Where you or your dependents have coverage with more than one carrier, claims will be co-ordinated so that reimbursement from all coverage will not exceed 100% of the actual claim. Visit our web site at greenshield.ca or call our Customer Service Centre at 1.888.711.1119 for information on COB.

SUBROGATION

GSC retains the right to subrogation if benefits have or should have been paid or provided by a third party. In cases of third party liability, you must advise your lawyer of these rights.

PLAN MEMBER ONLINE SERVICES

In addition to this booklet and our Customer Service Centre, we also provide you with access to our secure website. Self-service through the GSC website makes things quick, convenient and easy. Register today to:

- View your Benefit Plan Booklet
- Access your personal claims information, including a breakdown of how your claims were processed
- Simulate a claim to instantly find out what portion of a claim will be covered
- Submit certain claims online
- Arrange for claim payments to be deposited directly into your bank account*
- Print personalized claim forms and replacement Identification Cards
- Print personal Explanation of Benefits statements for when you need to co-ordinate benefits
- Get the support you need online

Register online at greenshield.ca and see what our website can do for you!

***Please note** that once arrangements have been made for direct deposit, claim payments will be deposited directly into the bank account you have chosen. Statements will no longer be mailed to you but will be available for online viewing.

PREFERRED PROVIDER VISION NETWORK ARRANGEMENT

As a GSC plan member, you have access to our national preferred provider vision network arrangement where all GSC plan members are eligible to receive a discount on eyewear and laser eye surgery.

Features of this great value-added service for either eyewear or laser eye surgery include:

1. Offer applies to any GSC plan member, regardless of whether you have GSC vision benefits or not;
2. The vision provider may bill GSC directly; the plan member just pays any portion of the expense not covered under their vision benefit;
3. Trustworthy retail chains with convenient locations;
4. The discount offer applies to everything such as all extra coatings, upgrades and accessories;
5. Hundreds of the latest frame styles to choose from plus the latest lens and coating technology;
6. Professional opticians to assist in selecting products;
7. For some vendors, this offer applies to non-disposable contact lenses only (excludes disposable contact lenses).

Visit our website at greenshield.ca or call our Customer Service Centre at 1.888.711.1119 for information on the vision providers.

How to Submit Your Vision Claim

1. Present your GSC Identification Card as proof of being a GSC plan member.
2. The vision provider will apply the appropriate discount(s) to your claim and may submit the claim directly to GSC for payment. You pay your vision provider any balance not covered under your vision benefit.
3. If no vision benefit exists, you pay your provider the full balance owing after the applicable discounts have been applied.

GROUP CONVERSION - PRISM CONTINUUM® PROGRAM

The PRISM CONTINUUM® Program offers three plans that are focused on providing coverage for you if you are leaving a company group plan.

This program may be your solution if you, your spouse or dependent children are losing, or have lost company group health benefits within the last 60 days and are looking for guaranteed coverage.

Call 416.601.0429 in the Toronto area or toll-free at 1.800.667.0429 for an information package or visit our website at greenshield.ca. Coverage is guaranteed if you apply within 60 days of losing your GSC group benefits.

OUR COMMITMENT TO PRIVACY

The GSC Privacy Code balances the privacy rights of our group and benefit plan members and their dependents, and our employees, with the legitimate information requirements to provide customer service. It consists of the following key principles:

1. We ask for your personal information for the following purposes:

- To establish your identification
- To provide you and/or your dependents with the applicable benefit coverage
- To protect you and us from error and fraud
- To provide ongoing access to other services at GSC

2. Consent

When you enrolled in your group benefit plan as a plan member, your personal information was obtained and used only with your consent. We obtained your consent before we:

- Provided benefit coverage
- Offered you other GSC services
- Obtained, used or disclosed to other persons, information about you unless we were obliged to do so by law or to protect our interests
- Used your personal information in any way we did not tell you about previously

Your consent can be either express or implied. Express consent can be verbal or written.

Consent can be implied or inferred from certain actions. For our existing group and benefit plan members and their dependents, we will continue to use and disclose your personal information previously collected in accordance with our current privacy code, unless you inform us otherwise and will infer that consent has been obtained by your continued use.

3. Withdrawal of Consent

You can withdraw your consent any time after you've given it to us, provided there are no legal or regulatory requirements to prevent this.

If you don't consent to certain uses of personal information, or if you withdraw your consent, we will no longer be able to administer your benefit coverage. If so, we will explain the situation to you to help you with your decision.

For further information on our privacy policies and procedures, please refer to the GSC web site at greenshield.ca.

your group benefits

Contract Number: 102434
Effective: September 1, 2017
Issued: September 21, 2017



Windsor Canada Utilities

ENWIN Utilities Ltd. - Management and Non-Union Employees

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How to Connect with Sun Life Financial



Questions?

We're here to help. Talk to a Sun Life Financial Customer Care representative for assistance with your coverage by calling toll-free at 1-800-361-6212.

For faster service, have your **group contract number** and **member ID** ready to enter into our automated telephone system.

All other inquiries

Call 1-877-SUN-LIFE (1-877-786-5433).

Benefit Summary



Contract Number 102434

This is a summary of the coverage your plan provides. You should read it together with the information in the rest of this booklet. Please see the related sections of this booklet for more information, including exclusions, limitations and other conditions that apply to your plan.

General Information

We, our and us	Throughout this booklet, <i>we</i> , <i>our</i> and <i>us</i> mean Sun Life Assurance Company of Canada
Waiting period	90 working days of continuous employment Any period during which you do not meet the eligibility requirements cannot be counted as part of the waiting period
Termination	Termination of coverage may vary from benefit to benefit as indicated in this Benefit Summary. Coverage may also end on an earlier date, as specified in the <i>General Information</i> section of this booklet.

Long-Term Disability

Maximum amount	70% of your monthly basic earnings up to a maximum of \$15,500 The maximum amount may be reduced by benefits and payments provided from other sources as described in the <i>Long-Term Disability</i> section of this booklet
Proof of good health	Approval required for coverage in excess of \$9,250, and any increase in that coverage of 25% or more or \$500, whichever is greater
Elimination period	17 weeks
Maximum benefit period	The period ending when you reach age 65 Benefits may also end on an earlier date as specified in the <i>Long-Term Disability</i> section of this booklet
Termination	The day you reach age 65 less the elimination period or the day you retire, whichever is earlier
Tax status	Your employer has indicated that it is paying all or a portion of the premium for this disability plan. Therefore, the benefit payments are taxable income.

Life

Employee Basic Life

	Class A	Class AA	Class AB	Class AC
Amount	150% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000	175% of your annual basic earnings rounded to the next higher \$1,000
Maximum	\$600,000	\$600,000	\$600,000	\$600,000
Proof of good health	Approval required for coverage in excess of \$500,000, and any increase in that coverage of 25% or more or \$25,000, whichever is greater			
Termination	When you retire or reach age 70, whichever is earlier			

Employee Optional Life

	Class A	Class AA	Class AB	Class AC
Amount	Not applicable	25% of your annual basic earnings rounded to the next higher \$1,000	75% of your annual basic earnings rounded to the next higher \$1,000	125% of your annual basic earnings rounded to the next higher \$1,000
Maximum		\$400,000	\$400,000	\$400,000
Proof of good health		Approval required on the initial optional amount of coverage and any increase in that coverage requested by the employee		
Termination		When you retire or reach age 70, whichever is earlier		

Dependent Life

Amount	Spouse – \$10,000 Child – \$5,000
Termination	When you retire or reach age 70, whichever is earlier

Making Claims



There are time limits for making claims. You can find more on these time limits in the following chart. **If you fail to meet these time limits, you may not be entitled to some or all benefit payments.**

To assess a claim, we may ask you to send us the following documents:

- medical records or reports
- proof of payment
- itemized bills
- prescriptions
- other information we need.

Proof of claim is at your expense.

Instructions and Time Limits for Sending Us Your Claims

Use this handy reminder to help you meet the time limits for sending in your claim.

Type of claim	Starting the claims process	Limits and special instructions
Long-Term Disability	<p>Ask your employer for the claim forms and ensure that the following people complete them:</p> <ul style="list-style-type: none">• you,• your attending doctor, and• your employer. <p>The submission of these forms is your proof of claim.</p>	<p>You should submit your proof of claim at least 8 weeks prior to the completion of your elimination period, but in no event later than 90 days after the end of your elimination period.</p> <p>If your Long-Term Disability coverage terminates, you must advise us of the claim within 30 days of the date the coverage terminates.</p> <p>We will assess the claim and send you or your employer a letter outlining our decision.</p> <p>From time to time, we can require that you provide us with proof of your continued total disability. We must be provided with this information within 90 days of the request.</p>

Type of claim	Starting the claims process	Limits and special instructions
Life coverage	Ask your employer to provide the claim forms.	<p>If the claim is a result of a death: We must receive the claim form as soon as possible after the death occurred.</p> <p>For coverage during total disability: We must receive the proof of total disability within 12 months of the date the disability begins. After that, we can require that you provide us with ongoing proof that you are still totally disabled.</p>

General Information



The information in this employee benefits booklet is important to you. It provides the information you need about the group benefits available through your employer's group contract with Sun Life Assurance Company of Canada (*Sun Life*), a member of the Sun Life Financial group of companies.

This booklet is only a summary of your employer's group contract. If there are any discrepancies between the group contract and the information in this booklet, the group contract will take priority, to the extent permitted by law.

Your group benefits may be modified after the effective date of this booklet. We will notify you in writing of any changes to your group plan. Any such notices will become part of this group benefits booklet and you should keep them in a safe place together with this booklet.

Have questions? Need more information about your group benefits? Talk to your employer.

Classes	<p>This booklet describes the coverage for the following classes of employees:</p> <ul style="list-style-type: none">• Class A – EnWin Utilities Ltd. - Management and Non-Union Employees – Option Plan 1• Class AA – EnWin Utilities Ltd. - Management and Non-Union Employees – Option Plan 2• Class AB – EnWin Utilities Ltd. - Management and Non-Union Employees – Option Plan 3• Class AC – EnWin Utilities Ltd. - Management and Non-Union Employees – Option Plan 4
Who is eligible to receive benefits?	<p>To be eligible for group benefits, you must reside in Canada and meet all the following conditions:</p> <ul style="list-style-type: none">• you are a permanent employee working in Canada.• you are actively working for your employer at least 20 hours a week.• you have completed the waiting period indicated in the Benefit Summary. <p>Your dependents become eligible for coverage on the later of the following dates:</p> <ul style="list-style-type: none">• on the date you become eligible for coverage, or• on the date they become your dependent. <p>You must apply for coverage for yourself in order for your dependents to be eligible.</p>
Who qualifies as your dependent	<p>Your dependent must be:</p> <ul style="list-style-type: none">• your spouse or your child, and• residing in Canada or the United States. <p>Your spouse qualifies as your dependent if they are your spouse in one of the following ways:</p> <ul style="list-style-type: none">• by marriage.• under any other formal union recognized by law.• as your partner of the opposite sex or of the same sex who is living with you and has been living with you in a conjugal relationship. <p>You can only cover one spouse at a time.</p> <p>Your children and your spouse's children (other than foster children) are eligible dependents if they are under age 21 and do not have a spouse.</p>

	<p>A child who is a full-time student under age 25 is also considered an eligible dependent as long as the child is dependent on you for financial support and does not have a spouse.</p> <p>If a child becomes disabled before the maximum age and remains continuously disabled, we will continue coverage if they are not able to support themselves financially because of a disability and must rely on you financially. The exception is if they have a spouse.</p> <p>In these cases, you must inform Sun Life within 6 months of the date the child attains the maximum age for this plan. Ask your employer for more on this.</p>
How to enrol	<p><i>For you</i> – You must provide the proper enrolment information to Sun Life through your employer.</p> <p><i>For a dependent</i> – You must ask for dependent coverage.</p> <p>If your enrolment request is not received within 31 days of becoming eligible to receive it – You will have to provide proof of good health at your own expense.</p> <p>You will need to provide proof of good health for the benefits listed below, as outlined in the Benefit Summary section at the beginning of this booklet. This coverage will not start before Sun Life has approved this proof of good health.</p> <ul style="list-style-type: none"> • Employee Basic Life • Employee Optional Life • Long-Term Disability
When coverage begins	<p>Your coverage begins on the later of the following dates:</p> <ul style="list-style-type: none"> • the date you become eligible for coverage. • the date Sun Life approves your proof of good health, if required. <p>If you are not actively working on the date coverage would normally begin, your coverage will not begin until you return to active work.</p> <p>A dependent's coverage begins on the later of the following dates:</p> <ul style="list-style-type: none"> • the date your coverage begins. • the date you first have a dependent. • the date Sun Life approves the dependent's proof of good health, if required.
Changes affecting your coverage	<p>If proof of good health is required, the change cannot take effect before Sun Life approves the proof of good health.</p> <p>If you are not actively working when an increase in coverage occurs or when Sun Life approves proof of good health, the change cannot take effect before you return to active work.</p>
Updating your records	<p>To ensure that coverage is kept up-to-date, it is important that you report any of the following changes to your employer:</p> <ul style="list-style-type: none"> • change of dependents. • change of name. • change of beneficiary.

Accessing your records	<p>You may request copies of your records, including:</p> <ul style="list-style-type: none"> • your enrolment form or application for insurance. • any written statements or other record about your health that you provided to Sun Life in applying for coverage. • one copy of the insured contract. <p>We will not charge you for the first copy but we may charge a fee for further copies.</p> <p>Need a copy of a document? Contact one of the following:</p> <ul style="list-style-type: none"> • our website at www.mysunlife.ca. • our Customer Care centre, toll-free at 1-800-361-6212.
When coverage ends	<p>As an employee, your coverage will end on the earlier of the following dates:</p> <ul style="list-style-type: none"> • the date your employment ends for any reason other than retirement on pension. • the date you are no longer actively working. • the end of the period for which premiums have been paid to Sun Life for your coverage. • the date the group contract or the benefit provision ends. <p>A dependent's coverage terminates on the earlier of the following dates:</p> <ul style="list-style-type: none"> • the date your coverage ends. • the date the dependent is no longer an eligible dependent. • the end of the period for which premiums have been paid for dependent coverage. <p>The end of coverage may vary from benefit to benefit. For information about a specific benefit, please refer to the Benefit Summary section at the beginning of this booklet.</p>

If you die while covered by this plan

Coverage for your dependents will continue, without anyone paying further premiums, until **the earlier of the** following dates:

- 24 months after the date of your death.
- the date the person would no longer be considered your dependent under this plan if you were still alive.
- the date your coverage would have terminated if you were still alive.
- the date the benefit provision under which the dependent is covered ends.

When dependent coverage continues, it is subject to all other terms of the plan.

Legal actions

Limitation period for Ontario:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Limitations Act, 2002*.

Limitation period for any other province:

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* or other applicable legislation of your province or territory.

Proof of disability

From time to time, Sun Life can require that you provide us with proof of your continued total disability. If you do not provide this information within 90 days of the request, you may not be entitled to some or all benefit payments.

Medical examination

We may require that you or your dependent have a medical examination if you make a claim. We will pay for the examination. If the person fails or refuses to have an examination, we will not pay any benefits.

Recovering overpayments

If we have overpaid any amount of benefit, we have the right to recover this money. We will:

- ask you to reimburse us,
- deduct that amount from other benefit payments, or
- recover that amount by any other legal means available.

Assignments

For Life benefits – You may not assign any rights or interests to anyone.

For all other benefits – We reserve the right to deny your request for an assignment.

Definitions

Here are the definitions of some terms that appear in this employee booklet. Other definitions that describe specific benefits appear in the benefit sections.

Appropriate treatment	Appropriate treatment is defined as any treatment that is performed and prescribed by a doctor or, when Sun Life believes it is necessary, by a medical specialist. It must be the usual and reasonable treatment for the condition and must be provided as frequently as is usually required by the condition. It must not be limited solely to examinations or testing.
Basic earnings	Basic earnings are the salary you receive from your employer excluding any bonus, overtime or incentive pay.
Doctor	A doctor is a physician or surgeon who is licensed to practice medicine where that practice is located.
Illness	An illness is a bodily injury, disease, mental infirmity or sickness. Any surgery needed to donate a body part to another person which causes total disability is an illness.
Retirement date	If you are totally disabled, your retirement date is your 65th birthday, unless you have actually retired before then.

Long-Term Disability



General description of the coverage

Long-Term Disability coverage provides a benefit if you become totally disabled. You qualify for this benefit if you provide proof of claim acceptable to Sun Life that confirms both of the following:

- you became totally disabled while covered, and
- you have been following appropriate treatment for the disability since it started.

For the purposes of your Long-Term Disability coverage:

- during the elimination period and the following 24 months (this period is known as the **own occupation period**), we consider you to be totally disabled while you are continuously unable due to an illness to perform the essential duties of your own occupation, in any workplace, including in a different department or location with your employer or with another employer, and
- afterwards, we will consider you to be totally disabled while you are continuously unable due to an illness to perform any occupation, for any employer, for which you are or may become reasonably qualified by education, training or experience.

The availability of work with any employer does not affect the determination of total disability.

We pay these benefits at the end of each month. We base them on your coverage on the date you became totally disabled.

See the table **Instructions and Time Limits for Sending Us Your Claims** at the beginning of this booklet for information about when and how to make a claim.

When disability payments begin	<p>Your Long-Term Disability payments begin on the later of the following dates:</p> <ul style="list-style-type: none">• after you have been totally disabled for the uninterrupted period indicated in the Benefit Summary.• after the last day benefits are payable under any short-term disability, loss of income or other salary continuation plan. <p>This period, which must be completed before disability benefits become payable is called the elimination period.</p>
What we will pay	<p>Here is how we calculate your Long-Term Disability payments. All references to benefits and payments in this disability provision are to the gross amounts before any deductions.</p> <p>Step 1: We take the maximum amount indicated in the Benefit Summary.</p> <p>Step 2: We subtract any benefits or payments provided under:</p> <ul style="list-style-type: none">• any government-sponsored plan such as the Canada Pension Plan and the Québec Pension Plan, excluding any benefits or payments on behalf of a dependent, for the same or a subsequent disability.• any Workers' Compensation Act or similar law for the same or a subsequent disability.• a motor vehicle insurance plan.• a group plan, including any coverage you have because you are a member of an association but excluding any benefits or payments provided under a Critical Illness plan.• a retirement or pension plan funded in whole or in part by your employer, due to your disability or a medical condition.• the Québec Parental Insurance Plan.

The result from Step 2 is the amount you will normally receive.

Take the result you got in Step 2, add the above sources of benefits and payments plus the other sources of benefits and payments listed below and check the total you get. If it's more than 85% of your basic earnings when your disability began, we will reduce your Long-Term Disability payment by the excess. If the benefit is non-taxable, your income after income tax is the one we use.

Other sources of benefits and payments:

- any Workers' Compensation Act or similar law for another disability.
- any Criminal Injuries Compensation Act or similar law.

Important to remember:

- If you are eligible for any of the benefits or payments described above and do not apply for them, we will still consider them. We can estimate those benefits and payments and use them when we calculate your Long-Term Disability payments.
- If any of the benefits or payments described above are provided in a lump sum, we will determine the equivalent compensation this represents on a monthly basis using generally accepted accounting principles.
- We will not take into account any benefits or payments that began before your disability began. However, increases in those benefits or payments as a result of your disability will be taken into account.
- We have the right to adjust your Long-Term Disability benefit payments when appropriate under the above provision.

Interrupted periods of disability after payments begin

If you had a total disability for which we paid Long-Term Disability benefits and total disability reoccurs due to the same or related causes, we will consider it a continuation of your previous disability if it occurs within 6 months of the end of your previous disability.

We will base these benefits on your coverage as it existed on the original date you become totally disabled.

Rehabilitation / Partial disability program

Sun Life may require you to participate in a partial disability or rehabilitation program that we have approved in writing.

This may include one or more of the following:

- consulting our rehabilitation specialist,
- part-time work,
- working in another occupation or vocational training to help you become capable of full-time employment.

During your rehabilitation program, you may receive Long-Term Disability payments plus income, benefits and payments from other sources.

However, if during any month the total of any income, benefits and payments provided is more than 100% of your basic earnings when your disability began, indexed for inflation, your Long-Term Disability payment will be reduced by the excess. If the benefit is non-taxable, your income after income tax is the one we use.

You should consider participating in a partial disability or rehabilitation program as soon as possible after becoming disabled. If you enter a partial disability or rehabilitation program during the elimination period, it will not be considered an interruption of the elimination period.

Your participation in a partial disability program will be limited to the own occupation period.

If you recover damages from another person

We have the right to part of any money you recover through legal action or settlement from another person, organization or company who caused your disability.

If you decide to take legal action, you must comply with the applicable terms of the group contract concerning legal action.

For disability benefits paid or payable prior to the date of judgment or settlement, if you recover money, you must pay us 75% of your net recovery or the total disability benefits paid or payable to you under this plan, whichever is less. For disability benefits payable after a judgment or settlement, where 75% of your net recovery exceeds the amount that we recover for past disability benefits, we have the right to deduct that excess from ongoing disability benefits. Refer to your group contract for more information.

What you are responsible to do

During your total disability, you must make reasonable efforts to do all of the following. If you do not, Sun Life may hold back or discontinue benefits.

- recover from your disability, including participating in any reasonable treatment or rehabilitation program and accepting any reasonable offer of modified duties from your employer.
- return to your own occupation during the first 24 months that benefits are payable.
- receive training to qualify for another occupation if it becomes apparent that you will not be able to return to your own occupation within the first 24 months that benefits are payable.
- try to get work in another occupation after the first 24 months that benefits are payable.
- obtain benefits that may be available from other sources.

When payments end

Your Long-Term Disability payments end **on the earlier of** the following dates:

- the date you are no longer totally disabled.
- the end of the maximum benefit period indicated in the Benefit Summary.
- the last day of the month in which you retire with a pension or are eligible to retire with a full pension or a full pension equivalent.
- the last day of the month in which you die.

When coverage ends

See the Benefit Summary at the beginning of this booklet to see when your coverage ends.

What is not covered

We will not pay benefits for any period where one or more of the following is true:

- you are not receiving appropriate treatment.
- you do any work for wage or profit except where Sun Life has approved it in advance.
- you are not participating in an approved partial disability or rehabilitation program, if required by Sun Life.
- you are on a leave of absence, strike or lay-off.
- you are absent from Canada longer than 4 months due to any reason.
- you are serving a prison sentence or are confined in a similar institution.

We do not pay benefits if you become totally disabled within 12 months after your coverage begins and your disability results directly or indirectly from a condition which existed on or before the date your coverage began. However, this limitation will not apply to you if you have been covered for Long-Term Disability with your employer for at least 13 weeks during which:

- you have been actively working continuously (up to 3 days of absence does not count), and
- you have not been treated for the condition by a doctor or any medical personnel under the direction of a doctor.

If your coverage ends but you are covered again under this plan, we will use the latest date your coverage began when applying the above limitation.

We will not pay benefits for total disability resulting from:

- the hostile action of any armed forces, insurrection or participation in a riot or civil commotion.
- intentionally self-inflicted injuries.
- participation in a criminal offence.

Waiver of premium

Long-Term Disability premiums will be waived while you are receiving Long-Term Disability benefits.

Life Coverage



General description of the coverage

Your Life coverage provides a benefit for your beneficiary if you die while covered. Your dependents' Life coverage provides a benefit if one of your dependents dies while covered.

See the Benefit Summary at the beginning of this booklet to see the amount of coverage and the date coverage ends.

See the table **Instructions and Time Limits for Sending Us Your Claims** at the beginning of this booklet for information about when and how to make a claim.

Who we will pay	<p>If you die while covered, we will pay the full amount of your benefit to your last named beneficiary on file with us.</p> <p>If you have not named a beneficiary, we will pay the benefit amount to your estate. Anyone can be your beneficiary. You can change your beneficiary at any time, unless a law prevents you from doing so or you indicate that the beneficiary is not to be changed.</p> <p>If a dependent dies, we will pay you the benefit for that dependent.</p> <p>Fact If you designated a beneficiary under a previous group plan of the employer, we will apply and carry it forward to your coverage under this plan until you change it.</p> <p>There are different rules for designating a minor beneficiary, please refer to your contract for specific information.</p>
Suicide	<p>If you have any optional coverage that has been in effect for less than 2 years, we will not pay benefits if death is by suicide, while sane or insane.</p>
Coverage during total disability	<p>Life coverage may continue without the payment of premiums if you become totally disabled before you retire or reach age 65, whichever is earlier, as long as you are totally disabled. This continued coverage must follow the terms of the contract which were in effect on the date you became totally disabled, including reductions and terminations.</p> <p>There are a number of rules and conditions in the group contract that apply to coverage during total disability. Please contact your employer for details.</p>

Converting Life coverage

If your Life coverage or your spouse's Life coverage ends or reduces for any reason other than your request, you or your spouse may apply to convert the group Life coverage to an individual Life policy with Sun Life without providing proof of good health.

Where necessary in order to comply with applicable legislation: If your child's Life coverage ends because your Life coverage has ended, you may apply to convert the group Life coverage for your child to an individual Life policy with Sun Life without providing proof of good health.

The request must be made within 31 days that the Life coverage reduces or ends.

Important

There are a number of rules and conditions in the group contract that apply to converting this coverage, including the maximum amount that can be converted. Please contact your employer for details.

Your Group Benefits (A, AA, AB and AC)

Respecting your privacy

Respecting your privacy is a priority for the Sun Life Financial group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit

www.sunlife.ca/privacy.

You have a choice

We will occasionally inform you of other financial products and services that we believe meet your changing needs. If you do not wish to receive these offers, let us know by calling 1-877-SUN-LIFE (1-877-786-5433).



About Sun Life Financial

A market leader in group benefits, Sun Life Financial serves more than one in six Canadians, in over 12,000 corporate, association, affinity and creditor groups across Canada.

Our Core values – integrity, service excellence, customer focus and building value – are at the heart of who we are and how we do business.

Sun Life Financial and its partners have operations in 22 key markets worldwide including Canada, the United States, the United Kingdom, Hong Kong, the Philippines, Japan, Indonesia, India, China and Bermuda.

Life's brighter under the sun

Group Benefits are provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

GB10171-E





ATTACHMENT 4 – G

FTE & Employee Costs

Board Appendix 2-K

	A	B	C	E	H	K	N	Q	T	W	Y	Z	AA	AB
1													File Number:	EB-2019-0032
2													Exhibit:	19/04/2019
3													Tab:	BT
4	TO BE UPDATED AT THE DRAFT RATE ORDER STAGE												Schedule:	
5													Page:	
6														
7													Date:	25/04/2019
8														
9	Appendix 2-K													
10	Employee Costs													
11														
12		Last Rebasng Year (2009 Board Approved)	Last Rebasng Year (2009 Actuals)	Last Rebasng Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Forecast	2019 Bridge Year	2020 Test Year
13	Number of Employees (FTEs including Part-Time) ¹													
14	Management (including executive)	29	33	35	34	35	36	32	32	33	34	36	36	36
15	Non-Management (union and non-union)	171	162	157	159	161	162	158	157	165	164	159	159	161
16	Total	200	195	192	193	196	198	190	189	198	198	195	195	197
17	Total Salary and Wages including overtime and incentive pay													
18	Management (including executive)	\$ 3,540,516	\$ 3,627,410	\$ 3,890,543	\$ 4,065,920	\$ 4,220,833	\$ 3,748,764	\$ 3,641,740	\$ 4,151,009	\$ 3,671,477	\$ 4,353,611	\$ 4,326,790	\$ 4,368,679	\$ 4,470,749
19	Non-Management (union and non-union)	\$ 10,076,854	\$ 10,043,554	\$ 10,772,117	\$ 11,257,699	\$ 11,126,534	\$ 11,703,666	\$ 12,368,365	\$ 12,327,765	\$ 12,999,356	\$ 12,942,613	\$ 12,791,837	\$ 13,512,481	\$ 14,017,942
20	Total	\$ 13,617,370	\$ 13,670,964	\$ 14,662,660	\$ 15,323,618	\$ 15,347,367	\$ 15,452,430	\$ 16,010,105	\$ 16,478,774	\$ 16,670,832	\$ 17,296,224	\$ 17,118,627	\$ 17,881,161	\$ 18,488,691
21	Total Benefits (Current + Accrued)													
22	Management (including executive)	\$ 1,281,641	\$ 1,014,346	\$ 1,226,360	\$ 1,495,632	\$ 2,190,001	\$ 1,572,346	\$ 1,471,273	\$ 1,732,351	\$ 1,533,659	\$ 1,785,211	\$ 1,798,023	\$ 1,870,235	\$ 1,904,813
23	Non-Management (union and non-union)	\$ 3,626,884	\$ 2,835,964	\$ 3,159,730	\$ 3,917,296	\$ 5,759,079	\$ 4,370,186	\$ 4,706,967	\$ 4,924,201	\$ 5,071,905	\$ 5,126,934	\$ 5,171,992	\$ 5,432,136	\$ 5,623,751
24	Total	\$ 4,908,525	\$ 3,850,310	\$ 4,386,090	\$ 5,412,928	\$ 7,949,080	\$ 5,942,532	\$ 6,178,240	\$ 6,656,552	\$ 6,605,564	\$ 6,912,145	\$ 6,970,015	\$ 7,302,371	\$ 7,528,564
25	Total Compensation (Salary, Wages, & Benefits)													
26	Management (including executive)	\$ 4,822,157	\$ 4,641,756	\$ 5,116,903	\$ 5,561,552	\$ 6,410,834	\$ 5,321,110	\$ 5,113,013	\$ 5,883,360	\$ 5,205,135	\$ 6,138,822	\$ 6,124,813	\$ 6,238,914	\$ 6,375,562
27	Non-Management (union and non-union)	\$ 13,703,738	\$ 12,879,518	\$ 13,931,847	\$ 15,174,995	\$ 16,885,613	\$ 16,073,852	\$ 17,075,332	\$ 17,251,966	\$ 18,071,261	\$ 18,069,547	\$ 17,963,829	\$ 18,944,617	\$ 19,641,693
28	Total	\$ 18,525,895	\$ 17,521,274	\$ 19,048,750	\$ 20,736,547	\$ 23,296,447	\$ 21,394,962	\$ 22,188,345	\$ 23,135,326	\$ 23,276,396	\$ 24,208,369	\$ 24,088,642	\$ 25,183,532	\$ 26,017,254
29														
30	Note:													
31	¹ If an applicant wishes to use headcount, it must also file the same schedule on an FTE basis.													



ATTACHMENT 4 – H

ENWIN Actuarial Report

**ENWIN UTILITIES LTD.
EMPLOYEE FUTURE BENEFITS**

**ACTUARIAL REPORT FOR ACCOUNTING PURPOSES
IN ACCORDANCE WITH IAS 19
FOR THE PERIOD ENDING DECEMBER 31, 2018
AND PROJECTED RESULTS FOR 2019**

March 11, 2019

Prepared by:



**Kwame Smart, FCIA, FSA
Steve Cheon, FCIA, FSA**

**Eckler Ltd.
110 Sheppard Avenue East, Suite 900
Toronto, Ontario
M2N 7A3**



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Section 1. EXECUTIVE SUMMARY

The following report sets out the results of an actuarial valuation and extrapolation of EnWin Utilities Ltd. Employee Future Benefits Plan (the “Plan”) in accordance with the International Accounting Standard 19 (“IAS 19”) under International Financial Reporting Standards (“IFRS”). This report has been prepared at the request of the EnWin Utilities Ltd. (“EnWin” or the “Company”), and is intended for use by EnWin and its external auditor in the support of amounts appearing on EnWin’s financial statements. Please note that the financial amounts included in this report are in Canadian dollars.

The Plan is a defined benefit plan funded on a pay-as-you-go basis by contributions from the Company. Estimated costs and liabilities for the following benefits have been included in this report:

- Post-retirement health and dental benefits for retirees and eligible dependents
- Post-retirement life insurance benefits for retirees.

The following categories of benefits covered under IAS19 have not been explicitly considered in this report:

- Short-term employee benefits
- Termination benefits
- Post-retirement pension benefits
- Other long-term employee benefits

Disclosure information for EnWin is split between three business units: Services, Hydro and Water Division (“WUC”).

The program is governed by the following collective agreements:

- Hydro Division Collective Agreement: effective April 1, 2015 to March 31, 2019
- Water Division Collective Agreement: effective July 1, 2015 to December 31, 2018
- Services Division Collective Agreement: effective July 1, 2016 to December 31, 2019

Actuarial Valuation

A full actuarial valuation of the Plan was performed as of December 31, 2016, based on membership data as of October 31, 2016, and is summarized in our actuarial report dated February 15, 2017. The Fiscal 2018 defined benefit cost and defined benefit obligation are extrapolated from the results of the December 31, 2016 valuation.

Included in this Report

Section 2	Reliance and Certification Additional information on the data, methods and assumptions used to determine the disclosure amounts shown in this report, as well as our actuarial opinion
Section 3	Fiscal 2018 IAS 19 Disclosure Information <ul style="list-style-type: none">• Fiscal 2018 disclosure amounts
Section 4	Other Disclosure Information <ul style="list-style-type: none">• Information related to key management personnel in accordance with IAS 24, and• Sensitivity of the IAS 19 disclosure results to changes in key assumptions.
Section 5	Fiscal 2017 IAS 19 Disclosure Information <ul style="list-style-type: none">• Fiscal 2017 disclosure amounts for comparison purposes
Section 6	Estimated Fiscal 2019 IAS 19 Disclosure Information <ul style="list-style-type: none">• Estimated Fiscal 2019 disclosure amounts
Appendices	Summary of supporting information used in the actuarial valuations including: <ul style="list-style-type: none">A. Membership DataB. Actuarial Assumptions and MethodsC. Plan ProvisionsD. Employer Certificate

Please note that all the information provided for Fiscal 2019 are estimates only and can be materially different from the final results, dependent on significant events that may occur during and at the end of Fiscal 2019. We will confirm or update these estimates at the time of the preparation of the final Fiscal 2019 disclosure results.

Highlights of Results for Fiscal 2018 and Estimate for Fiscal 2019

	Services	Hydro	WUC	Total
	\$	\$	\$	\$
<u>Fiscal 2018 Disclosure Highlights</u>				
Portion defined benefit cost/(income) reflected in Income Statement for Fiscal 2018	\$1,647,000	\$2,154,900	\$1,023,300	\$4,825,200
<u>Funded Status at End of Period</u>				
Plan assets at end of period	0	0	0	0
Defined benefit obligation at end of period	23,510,500	28,575,600	12,311,200	64,397,300
Funded status at end of period	(\$23,510,500)	(\$28,575,600)	(\$12,311,200)	(\$64,397,300)
<u>Reconciliation of Defined Benefit (Liability)/Asset</u>				
Defined benefit (liability)/asset at start of period	(24,986,600)	(30,382,400)	(13,023,400)	(68,392,400)
Portion defined benefit (cost)/income reflected in Income Statement	(1,647,000)	(2,154,900)	(1,023,300)	(4,825,200)
Portion defined benefit (cost)/income reflected in OCI	2,240,700	3,397,100	1,645,000	7,282,800
Employer contributions	882,400	564,600	90,500	1,537,500
Defined benefit (liability)/asset at end of period	(\$23,510,500)	(\$28,575,600)	(\$12,311,200)	(\$64,397,300)
<u>Estimated Fiscal 2019 Disclosure Highlights</u>				
Estimated portion defined benefit cost/(income) reflected in Income Statement for Fiscal 2019	\$1,573,400	\$1,999,100	\$917,300	\$4,489,800

Section 2. RELIANCE AND CERTIFICATION

We have prepared Fiscal 2018 year-end disclosure information, and estimated Fiscal 2019 disclosure information for the non-pension post-retirement benefit plan (the “Plan”) sponsored by EnWin Utilities Ltd. (“EnWin”). The disclosure results were extrapolated from an actuarial valuation of the Plan performed as of December 31, 2016.

We have relied on the following information which was provided by EnWin:

1. Confirmation of no significant changes to the membership data since the last valuation as of December 31, 2016 (based on data as of October 31, 2016);
2. Employer contributions remitted with respect to the post-retirement benefits in 2018; and
3. Plan provisions in effect as of December 31, 2018.

This report has been prepared exclusively for EnWin and its external auditor as support of amounts used for financial reporting purposes. This report may not be relied upon or be appropriate for other purposes.

The Plan’s actual costs will depend on a number of factors including the amount of benefits paid, the number of members covered for benefits, the amount of plan expenses and other external influences on the plan costs. These amounts are not known at the valuation date and are uncertain, but expected to fall within a reasonable range of possibilities. To prepare this report, the selected actuarial assumptions produce one scenario from a range of possible scenarios. The results of the single scenario are summarized in this report. However, actual plan experience will differ from the assumptions used and the difference may be material or significant.

Another reasonable set of assumptions could have been selected and the results would have been different. As well, valuation assumptions are likely to change at each valuation due to plan changes, data or experience changes, legislated events or changed expectations about the future.

Membership Data

Membership data used for this valuation was provided by EnWin as at October 31, 2016 (assumed to be as of December 31, 2016 for valuation purposes) and is summarized in Appendix A of this report. The data was subjected to a number of tests for reasonableness and consistency (e.g. on service, dates of birth, gender, etc.) at the time of preparation of the December 31, 2016 valuation.

Employer Contributions

We received information on the actual employer contributions paid in 2018 with respect to the post-retirement benefits (inclusive of all applicable taxes and expenses). The employer contributions paid in 2018 and reflected in the year-end disclosure were as follows:

Employer Contributions in Fiscal 2018	Services	Hydro	WUC	Total
	\$882,400	\$564,600	\$90,500	\$1,537,500

Assumptions

The disclosure results has been prepared using the best estimate assumptions developed by Eckler Ltd. in discussions with management.

All assumptions used for the December 31, 2018 disclosures are the same as those used as of December 31, 2017, except for the following:

1. The discount rate has been changed to 4.00% per annum at December 31, 2018 (from 3.40% per annum at December 31, 2017), based on the applicable bond rates as of December 31, 2018.

Emerging experience under the Plans differing from the assumptions will result in gains or losses which will be revealed in future valuations.

More detailed information on the actuarial assumptions are summarized in Appendix B.

Actuarial Method

The total value of the Plan's costs for financial reporting purposes at a particular date can be measured by the defined benefit obligation ("DBO"). The DBO at a particular date for an employee is the total present value of all expected future benefit payments that is attributed to service earned to that date, and the current service cost is the amount that is attributed to the current year. According to IAS 19, the actuarial method used to determine the DBO and current service cost should be the projected unit credit method. This method assumes that the post-retirement benefits are attributed over the years of service to the date when future service no longer leads to a material amount of additional benefits from the plan (assumed to be age 55 with 10 years of service). This is typically the date when an employee is first eligible to retire and receive benefits for the plan.

The actuarial methods are unchanged since the last disclosure as of December 31, 2017. More information on the actuarial method is provided in Appendix B.

Plan Provisions

In aggregate, there were no changes to the plan provisions since the last disclosure as of December 31, 2017, that would have a material impact on the obligations as of December 31, 2018. The plan provisions have been provided and confirmed by EnWin and are summarized in Appendix C of this report.

Subsequent Events

To the best of our knowledge and based on discussions with EnWin, it is our understanding that there were no events which occurred between December 31, 2018 and the date this report was completed which would have a material impact on the results of the valuation and extrapolation or the year-end disclosures at December 31, 2018.

Statement of Actuarial Opinion

In our opinion,

- the membership data is sufficient and reliable for the purpose of the valuation and extrapolation;
- the preparers of the financial statements have selected the assumptions and they are in accordance with accepted actuarial practice in Canada; and
- the calculations have been made in accordance with our understanding of the requirements of International Accounting Standard 19 under the International Financial Reporting Standards.

This report has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada.

Respectfully submitted,



Kwame Smart, FCIA, FSA



Steve Cheon, FCIA, FSA

March 11, 2019

Date

March 11, 2019

Date

Section 3. FISCAL 2018 – IAS 19 DISCLOSURE

Enwin - Fiscal 2018 Disclosure Information	Services	Hydro	WUC	Total
	\$	\$	\$	\$
Reconciliation of Funded Status at start of period				
Plan assets at start of period	0	0	0	0
Defined benefit obligation at start of period	24,986,600	30,382,400	13,023,400	68,392,400
Funded status at start of period	(\$24,986,600)	(\$30,382,400)	(\$13,023,400)	(\$68,392,400)
Reconciliation of Plan Assets				
Plan assets at start of period	0	0	0	0
Employer contributions	882,400	564,600	90,500	1,537,500
Employee contributions	0	0	0	0
Benefit payments	(882,400)	(564,600)	(90,500)	(1,537,500)
Settlement payments	0	0	0	0
Interest income	0	0	0	0
Return on plan assets excluding amounts included in interest income	0	0	0	0
Plan assets at end of period	\$0	\$0	\$0	\$0
Reconciliation of Defined Benefit Obligation				
Defined benefit obligation at start of period	24,986,600	30,382,400	13,023,400	68,392,400
Current service cost	810,500	1,134,400	583,200	2,528,100
Benefit payments	(882,400)	(564,600)	(90,500)	(1,537,500)
Past service cost/(credit)	0	0	0	0
Curtailment & Settlement (gains)/losses	0	0	0	0
Interest expense	836,500	1,020,500	440,100	2,297,100
Actuarial (gains)/losses from changes in experience	114,100	(171,700)	(65,400)	(123,000)
Actuarial (gains)/losses from changes in demographic assumptions	0	0	0	0
Actuarial (gains)/losses from changes in financial assumptions	(2,354,800)	(3,225,400)	(1,579,600)	(7,159,800)
Defined benefit obligation at end of period	\$23,510,500	\$28,575,600	\$12,311,200	\$64,397,300
Components Defined Benefit Cost/(Income)				
Service cost in the Income Statement:				
Current service cost	810,500	1,134,400	583,200	2,528,100
Past service cost	0	0	0	0
Curtailment & Settlement (gain)/loss	0	0	0	0
	810,500	1,134,400	583,200	2,528,100
Interest on the net defined benefit liability in Income Statement:				
Interest income	0	0	0	0
Interest expense	836,500	1,020,500	440,100	2,297,100
	836,500	1,020,500	440,100	2,297,100
Defined benefit cost/(income) reflected in Income Statement	\$1,647,000	\$2,154,900	\$1,023,300	\$4,825,200
Remeasurements of the net defined benefit liability in OCI:				
Return on plan assets excluding amounts included in interest income	0	0	0	0
Actuarial (gains)/losses from changes in experience	114,100	(171,700)	(65,400)	(123,000)
Actuarial (gains)/losses from changes in demographic assumptions	0	0	0	0
Actuarial (gains)/losses from changes in financial assumptions	(2,354,800)	(3,225,400)	(1,579,600)	(7,159,800)
Remeasurements of the net defined benefit liability reflected in OCI	(\$2,240,700)	(\$3,397,100)	(\$1,645,000)	(\$7,282,800)
Funded Status at End of Period				
Plan assets at end of period	0	0	0	0
Defined benefit obligation at end of period	23,510,500	28,575,600	12,311,200	64,397,300
Funded status at end of period	(\$23,510,500)	(\$28,575,600)	(\$12,311,200)	(\$64,397,300)
Reconciliation of Defined Benefit (Liability)/Asset				
Defined benefit (liability)/asset at start of period	(24,986,600)	(30,382,400)	(13,023,400)	(68,392,400)
Defined benefit (cost)/income reflected in Income Statement	(1,647,000)	(2,154,900)	(1,023,300)	(4,825,200)
Remeasurements of the net defined benefit liability reflected in OCI	2,240,700	3,397,100	1,645,000	7,282,800
Employer contributions	882,400	564,600	90,500	1,537,500
Defined benefit (liability)/asset at end of period	(\$23,510,500)	(\$28,575,600)	(\$12,311,200)	(\$64,397,300)
Reconciliation of amounts in OCI				
Accumulated amounts in OCI at start of period	(4,804,900)	(5,711,900)	(416,300)	(10,933,100)
Remeasurements of the net defined benefit liability reflected in OCI	2,240,700	3,397,100	1,645,000	7,282,800
Accumulated amounts in OCI at end of period	(\$2,564,200)	(\$2,314,800)	\$1,228,700	(\$3,650,300)

Section 4. FISCAL 2018 –OTHER DISCLOSURE INFORMATION AND SENSITIVITIES

Enwin - Fiscal 2018 Disclosure Information	Services	Hydro	WUC	Total
	\$	\$	\$	\$
Determination of interest cost				
Defined benefit obligation at start of period	24,986,600	30,382,400	13,023,400	68,392,400
Expected benefit payments weighted for timing (mid-year)	(384,150)	(368,150)	(77,950)	(830,250)
Average weighted DBO	24,602,450	30,014,250	12,945,450	67,562,150
Discount rate	3.40%	3.40%	3.40%	3.40%
Interest cost for Fiscal 2017	836,500	1,020,500	440,100	2,297,100
Additional disclosure information				
Expected employer contributions in next reporting period	805,700	773,000	182,200	1,760,900
Duration ⁽¹⁾	17.0	17.0	17.0	17.0
IAS 24 disclosure information for Key Management Personnel				
Defined benefit cost/(income) reflected in Income Statement				
Garry Rossi				6,200
Helga Reidel				3,200
John Wladarski				2,900
James Brown				8,000
Byron Thompson				6,300
Total				26,600
Sensitivity on defined benefit obligation at end of period				
Discount rate				
Effect of 1% increase	(3,420,730)	(4,638,795)	(2,252,494)	(10,312,019)
Effect of 1% decrease	4,364,383	6,046,206	2,979,629	13,390,218
Salary scale				
Effect of 1% increase	42,906	52,858	31,763	127,527
Effect of 1% decrease	(38,860)	(48,155)	(29,210)	(116,226)
Future mortality				
Effect of 1 year age increase	1,062,021	1,240,655	514,062	2,816,738
Effect of 1 year age decrease	(1,025,231)	(1,199,177)	(496,951)	(2,721,360)
Trend rates				
Effect of 1% increase	3,887,899	5,578,291	2,769,675	12,235,866
Effect of 1% decrease	(3,107,403)	(4,360,397)	(2,137,165)	(9,604,966)
Weighted average assumptions for defined benefit cost/(income)				
Discount rate	3.40%	3.40%	3.40%	3.40%
Annual salary increase	3.00%	3.00%	3.00%	3.00%
Initial weighted average health care trend rate	5.64%	5.64%	5.64%	5.64%
Ultimate weighted average health care trend rate	4.41%	4.41%	4.41%	4.41%
Year ultimate health care trend rate is reached	2027	2027	2027	2027
Weighted average assumptions for disclosure				
Discount rate	4.00%	4.00%	4.00%	4.00%
Annual salary increase	3.00%	3.00%	3.00%	3.00%
Initial weighted average health care trend rate	5.51%	5.51%	5.51%	5.51%
Ultimate weighted average health care trend rate	4.41%	4.41%	4.41%	4.41%
Year ultimate health care trend rate is reached	2027	2027	2027	2027

⁽¹⁾ Duration is based on expected cash flows of the post-retirement benefit plans of Enwin Utilities and the Windsor Utilities Commission

Section 5. FISCAL 2017 - IAS 19 DISCLOSURE

Enwin - Fiscal 2017 Disclosure Information	Services	Hydro	WUC	Total
	\$	\$	\$	\$
Reconciliation of Funded Status at start of period				
Plan assets at start of period	0	0	0	0
Defined benefit obligation at start of period	22,217,000	26,345,100	10,913,200	59,475,300
Funded status at start of period	(\$22,217,000)	(\$26,345,100)	(\$10,913,200)	(\$59,475,300)
Reconciliation of Plan Assets				
Plan assets at start of period	0	0	0	0
Employer contributions	837,000	571,100	80,200	1,488,300
Employee contributions	0	0	0	0
Benefit payments	(837,000)	(571,100)	(80,200)	(1,488,300)
Settlement payments	0	0	0	0
Interest income	0	0	0	0
Return on plan assets excluding amounts included in interest income	0	0	0	0
Plan assets at end of period	\$0	\$0	\$0	\$0
Reconciliation of Defined Benefit Obligation				
Defined benefit obligation at start of period	22,217,000	26,345,100	10,913,200	59,475,300
Current service cost	730,100	1,092,400	535,900	2,358,400
Benefit payments	(837,000)	(571,100)	(80,200)	(1,488,300)
Past service cost/(credit)	0	0	0	0
Curtailment & Settlement (gains)/losses	0	0	0	0
Interest expense	852,100	1,013,900	423,200	2,289,200
Actuarial (gains)/losses from changes in experience	98,900	(122,800)	(41,200)	(65,100)
Actuarial (gains)/losses from changes in demographic assumptions	0	0	0	0
Actuarial (gains)/losses from changes in financial assumptions	1,925,500	2,624,900	1,272,500	5,822,900
Defined benefit obligation at end of period	\$24,986,600	\$30,382,400	\$13,023,400	\$68,392,400
Components Defined Benefit Cost/(Income)				
Service cost in the Income Statement:				
Current service cost	730,100	1,092,400	535,900	2,358,400
Past service cost	0	0	0	0
Curtailment & Settlement (gain)/loss	0	0	0	0
	730,100	1,092,400	535,900	2,358,400
Interest on the net defined benefit liability in Income Statement:				
Interest income	0	0	0	0
Interest expense	852,100	1,013,900	423,200	2,289,200
	852,100	1,013,900	423,200	2,289,200
Defined benefit cost/(income) reflected in Income Statement	\$1,582,200	\$2,106,300	\$959,100	\$4,647,600
Remeasurements of the net defined benefit liability in OCI:				
Return on plan assets excluding amounts included in interest income	0	0	0	0
Actuarial (gains)/losses from changes in experience	98,900	(122,800)	(41,200)	(65,100)
Actuarial (gains)/losses from changes in demographic assumptions	0	0	0	0
Actuarial (gains)/losses from changes in financial assumptions	1,925,500	2,624,900	1,272,500	5,822,900
Remeasurements of the net defined benefit liability reflected in OCI	\$2,024,400	\$2,502,100	\$1,231,300	\$5,757,800
Funded Status at End of Period				
Plan assets at end of period	0	0	0	0
Defined benefit obligation at end of period	24,986,600	30,382,400	13,023,400	68,392,400
Funded status at end of period	(\$24,986,600)	(\$30,382,400)	(\$13,023,400)	(\$68,392,400)
Reconciliation of Defined Benefit (Liability)/Asset				
Defined benefit (liability)/asset at start of period	(22,217,000)	(26,345,100)	(10,913,200)	(59,475,300)
Defined benefit (cost)/income reflected in Income Statement	(1,582,200)	(2,106,300)	(959,100)	(4,647,600)
Remeasurements of the net defined benefit liability reflected in OCI	(2,024,400)	(2,502,100)	(1,231,300)	(5,757,800)
Employer contributions	837,000	571,100	80,200	1,488,300
Defined benefit (liability)/asset at end of period	(\$24,986,600)	(\$30,382,400)	(\$13,023,400)	(\$68,392,400)
Reconciliation of amounts in OCI				
Accumulated amounts in OCI at start of period	(2,780,500)	(3,209,800)	815,000	(5,175,300)
Remeasurements of the net defined benefit liability reflected in OCI	(2,024,400)	(2,502,100)	(1,231,300)	(5,757,800)
Accumulated amounts in OCI at end of period	(\$4,804,900)	(\$5,711,900)	(\$416,300)	(\$10,933,100)

Enwin - Fiscal 2017 Disclosure Information	Services	Hydro	WUC	Total
	\$	\$	\$	\$
Determination of interest cost				
Defined benefit obligation at start of period	22,217,000	26,345,100	10,913,200	59,475,300
Expected benefit payments weighted for timing (mid-year)	(369,050)	(346,950)	(60,700)	(776,700)
Average weighted DBO	21,847,950	25,998,150	10,852,500	58,698,600
Discount rate	3.90%	3.90%	3.90%	3.90%
Interest cost for Fiscal 2017	852,100	1,013,900	423,200	2,289,200
Additional disclosure information				
Expected employer contributions in next reporting period	768,300	736,300	155,900	1,660,500
Duration ⁽¹⁾	18.0	18.0	18.0	18.0
IAS 24 disclosure information for Key Management Personnel				
Defined benefit cost/(income) reflected in Income Statement				
Garry Rossi				5,100
Helga Reidel				2,600
John Wladarski				3,000
James Brown				8,100
Byron Thompson				5,300
Total				24,100
Sensitivity on defined benefit obligation at end of period				
Discount rate				
Effect of 1% increase	(3,635,500)	(4,932,100)	(2,382,800)	(10,950,400)
Effect of 1% decrease	4,638,400	6,428,500	3,152,000	14,218,900
Salary scale				
Effect of 1% increase	45,600	56,200	33,600	135,400
Effect of 1% decrease	(41,300)	(51,200)	(30,900)	(123,400)
Future mortality				
Effect of 1 year age increase	1,128,700	1,319,100	543,800	2,991,600
Effect of 1 year age decrease	(1,089,600)	(1,275,000)	(525,700)	(2,890,300)
Trend rates				
Effect of 1% increase	4,132,000	5,931,000	2,929,900	12,992,900
Effect of 1% decrease	(3,302,500)	(4,636,100)	(2,260,800)	(10,199,400)
Weighted average assumptions for defined benefit cost/(income)				
Discount rate	3.90%	3.90%	3.90%	3.90%
Annual salary increase	3.00%	3.00%	3.00%	3.00%
Initial weighted average health care trend rate	5.78%	5.78%	5.78%	5.78%
Ultimate weighted average health care trend rate	4.41%	4.41%	4.41%	4.41%
Year ultimate health care trend rate is reached	2027	2027	2027	2027
Weighted average assumptions for disclosure				
Discount rate	3.40%	3.40%	3.40%	3.40%
Annual salary increase	3.00%	3.00%	3.00%	3.00%
Initial weighted average health care trend rate	5.64%	5.64%	5.64%	5.64%
Ultimate weighted average health care trend rate	4.41%	4.41%	4.41%	4.41%
Year ultimate health care trend rate is reached	2027	2027	2027	2027

⁽¹⁾ Duration is based on expected cash flows of the post-retirement benefit plans of Enwin Utilities and the Windsor Utilities Commission

Section 6. FISCAL 2019 – ESTIMATED IAS 19 DISCLOSURE

Enwin - Estimated Fiscal 2019 Disclosure Information	Services	Hydro	WUC	Total
	\$	\$	\$	\$
Reconciliation of Funded Status at start of period				
Plan assets at start of period	0	0	0	0
Defined benefit obligation at start of period	23,510,500	28,575,600	12,311,200	64,397,300
Funded status at start of period	(\$23,510,500)	(\$28,575,600)	(\$12,311,200)	(\$64,397,300)
Reconciliation of Plan Assets				
Plan assets at start of period	0	0	0	0
Employer contributions	805,700	773,000	182,200	1,760,900
Employee contributions	0	0	0	0
Benefit payments	(805,700)	(773,000)	(182,200)	(1,760,900)
Settlement payments	0	0	0	0
Interest income	0	0	0	0
Return on plan assets excluding amounts included in interest income	0	0	0	0
Plan assets at end of period	\$0	\$0	\$0	\$0
Reconciliation of Defined Benefit Obligation				
Defined benefit obligation at start of period	23,510,500	28,575,600	12,311,200	64,397,300
Current service cost	649,100	871,500	428,500	1,949,100
Benefit payments	(805,700)	(773,000)	(182,200)	(1,760,900)
Past service cost/(credit)	0	0	0	0
Curtailment & Settlement (gains)/losses	0	0	0	0
Interest expense	924,300	1,127,600	488,800	2,540,700
Actuarial (gains)/losses from changes in experience	0	0	0	0
Actuarial (gains)/losses from changes in demographic assumptions	0	0	0	0
Actuarial (gains)/losses from changes in financial assumptions	0	0	0	0
Defined benefit obligation at end of period	\$24,278,200	\$29,801,700	\$13,046,300	\$67,126,200
Components Defined Benefit Cost/(Income)				
Service cost in the Income Statement:				
Current service cost	649,100	871,500	428,500	1,949,100
Past service cost	0	0	0	0
Curtailment & Settlement (gain)/loss	0	0	0	0
	649,100	871,500	428,500	1,949,100
Interest on the net defined benefit liability in Income Statement:				
Interest income	0	0	0	0
Interest expense	924,300	1,127,600	488,800	2,540,700
	924,300	1,127,600	488,800	2,540,700
Defined benefit cost/(income) reflected in Income Statement	\$1,573,400	\$1,999,100	\$917,300	\$4,489,800
Remeasurements of the net defined benefit liability in OCI:				
Return on plan assets excluding amounts included in interest income	0	0	0	0
Actuarial (gains)/losses from changes in experience	0	0	0	0
Actuarial (gains)/losses from changes in demographic assumptions	0	0	0	0
Actuarial (gains)/losses from changes in financial assumptions	0	0	0	0
Remeasurements of the net defined benefit liability reflected in OCI	\$0	\$0	\$0	\$0
Funded Status at End of Period				
Plan assets at end of period	0	0	0	0
Defined benefit obligation at end of period	24,278,200	29,801,700	13,046,300	67,126,200
Funded status at end of period	(\$24,278,200)	(\$29,801,700)	(\$13,046,300)	(\$67,126,200)
Reconciliation of Defined Benefit (Liability)/Asset				
Defined benefit (liability)/asset at start of period	(23,510,500)	(28,575,600)	(12,311,200)	(64,397,300)
Defined benefit (cost)/income reflected in Income Statement	(1,573,400)	(1,999,100)	(917,300)	(4,489,800)
Remeasurements of the net defined benefit liability reflected in OCI	0	0	0	0
Employer contributions	805,700	773,000	182,200	1,760,900
Defined benefit (liability)/asset at end of period	(\$24,278,200)	(\$29,801,700)	(\$13,046,300)	(\$67,126,200)
Reconciliation of amounts in OCI				
Accumulated amounts in OCI at start of period	(2,564,200)	(2,314,800)	1,228,700	(3,650,300)
Remeasurements of the net defined benefit liability reflected in OCI	0	0	0	0
Accumulated amounts in OCI at end of period	(\$2,564,200)	(\$2,314,800)	\$1,228,700	(\$3,650,300)

Appendix A. **MEMBERSHIP DATA**

The membership data used to determine the year-end disclosure information at December 31, 2018 was provided by EnWin as of October 31, 2016, and used for the full valuation as of December 31, 2016.

We did not independently verify the accuracy and completeness of the data except to the extent required by generally accepted professional standards and practices. However, we did subject the data to a number of tests of reasonableness and consistency at the time of the valuation, including the following:

- the number of covered members is reasonable;
- a member's age is within a reasonable range;
- a member's salary is within a reasonable range;
- a member's years of membership is within a reasonable range given the age;
- a member's retirement age is within a reasonable range; and
- a member's gender has been provided and is reasonable.

Summary of Membership Data as of October 31, 2016

Active Members	Services	Hydro	Water	Total
Number of employees	127	135	71	333
Number with family coverage	105	113	62	280
Average age	47.9	45.6	52.3	47.9
Average service	12.8	16.2	20.7	15.9
Average salary	\$79,676	\$79,876	\$76,158	\$79,007

Retirees and Survivors	Services	Hydro	Water	Total
Number of retirees and survivors	122	110	15	247
Number with family coverage	56	65	14	135
Average age	74.5	73.7	59.3	73.2
Average life insurance amount	\$27,029	\$27,034	\$30,224	\$27,226

Appendix B. ASSUMPTIONS AND METHODS

Actuarial Assumptions	At December 31, 2018		At December 31, 2017	
Discount rate:	4.00% per annum		3.40% per annum	
Salary escalation:	3.00% per annum			
Prescription Drug trend rates:	6.50% in 2017, grading down linearly to 4.50% per annum in and after 2027			
Other health trend rates:	5.83% in 2017, grading down linearly to 4.50% per annum in and after 2027			
Dental trend rates:	4.00% per annum ⁽¹⁾			
Aging: (Sample of annual rates)	<u>Age</u>	<u>Drug</u>	<u>Other Hlth</u>	<u>Dental</u>
	55	0.60%	0.20%	0.90%
	60	1.60%	1.10%	1.30%
	65	2.50%	2.00%	1.30%
	70	3.00%	2.80%	0.70%
	75	2.90%	3.40%	-0.70%
	80	2.20%	3.90%	-2.90%
	85	1.00%	4.30%	-5.70%
Age 65 Claims Costs at valuation date (including administrative expenses and taxes) after application of Provincial Drug Offset:		<u>Drug</u>	<u>Other Hlth</u>	<u>Dental</u>
	WUC	\$743	\$822	\$633
	Enwin	\$979	\$751	\$732
Insurer administration expenses:	5.00%			
Reduction to Prescription Drug cost at age 65 for Provincial Drug Program offset	65% (applied to per-capita drug cost only)			
Retail sales tax:	8.00%			
Premium tax:	2.00%			
Percentage of covered spouses:	Current coverage type for active employees will remain into retirement. Retirees assumed to keep current coverage type			
Age difference of covered spouses:	Female spouses are assumed to be 3 years younger than males, and vice versa			
Mortality rates:	CPM-2014 Public Table with generational improvements using CPM Scale B			
Disability rates:	Nil			
Termination rates: (Sample of rates shown)	<u>Age</u>	<u>Rate</u>		
	30	11.20%		
	35	6.30%		
	40	3.40%		
	45	1.80%		
	50	1.20%		
	>=55	0.00%		
Retirement rates: Earliest Unreduced Retirement Age (EURA) Age 55 with 30 years of service or 90pts	<u>Age</u>	<u>Before EURA</u>	<u>After EURA</u>	
	<55	0.00%	0.00%	
	55	1.75%	21.70%	
	56	1.40%	9.10%	
	57	1.75%	9.80%	
	58	1.75%	10.50%	
	59	2.45%	11.90%	
	60	5.60%	18.20%	
	61	3.50%	14.00%	
	62	3.85%	12.60%	
	63	4.55%	11.90%	
	64	7.00%	13.30%	
	65	100.00%	100.00%	

⁽¹⁾ Adjusted to account for annual maximums on major dental benefits

Discount Rate

Under IAS 19, the method of selecting the accounting discount rate should reference market interest rates on high-quality debt instruments at the measurement date with cash flows that match the timing and amount of expected benefit payments.

We used the Canadian Institute of Actuaries (CIA) model based on the Fiera Capital curve to develop the appropriate discount rate for accounting purposes. The Fiera curve uses as a starting point, the Bank of America Merrill Lynch Canada Broad Bond Market (BaML) Index, which is considered to be representative of the Canadian bond market. The BaML index is filtered to exclude certain bonds and separate out corporate from provincial bonds.

This discount rate results in the duration of the bonds approximating the duration of the plan liabilities. The duration is the average of time to payment of benefits weighted by the size of expected benefit payments discounted by the applicable spot rates, at each point in time. The duration also measures the impact of a change in the discount rate. For example if the duration is 17 years, a 1% change in discount rate results in an approximate 17% change in the liabilities in the opposite direction of the discount rate change.

To harmonize the assumptions used for the financial disclosures of EnWin and WUC, the expected benefit payments used to determine the year-end discount rate were the combined payments for both EnWin and WUC. The combined duration is approximately 17.0 years, which results in a year-end discount rate of 4.00% per annum as at December 31, 2018. The duration of the EnWin plan only is approximately 17.5 years, and produces a discount rate of 4.00% per annum as well.

Healthcare Trend Rates

The health care trend rate assumptions reflect industry and plan experience expectations. To develop these assumptions, we relied on recommendations provided by the CIA, where the initial short-term rate is reflective of actual plan experience and current market conditions, and the long-term rate is based on an estimate of the growth in GDP plus a spread. We used a simple straight-line approach to grade down from the short-term rate to the long-term rate. As recommended by the CIA, we also referenced assumptions used for other similar plans, and considered the sensitivity of this assumption on overall valuation results. We adjusted down the dental trend rate to reflect the annual maximums with respect to the major benefits.

Aging

In addition to inflation reflected in the trend rates, expected healthcare costs also change as a person ages, as health needs of an individual change. These assumptions reflect the results of a recent internal study on the impact of aging on healthcare costs we performed on a block of our business.

Provincial Drug Plan Offset

This assumption reflects the portion of post-age 65 drug costs expected to be covered by the province of Ontario (under the Ontario Drug Benefit Plan). It is based on recent experience in the industry and results of an internal study conducted on a block of our business.

Claims Cost Development

The per-capita claim costs are based on actual plan claims experience over the period January 1, 2011 to October 31, 2016 (annualized to December 31, 2016), and were developed at the time of the last valuation.

The per-capita costs are based on a six-year average over the calendar years 2011 to 2016. In developing the per-capita claim costs, we first divided by the average number of individuals who are eligible for those benefits in each year to arrive at an average per-capita cost for each period. To determine the average number of individuals eligible, retirees eligible for family coverage were counted twice to account for dependent coverage. We then increased the claims by the appropriate trend rates from the mid-point of each of the six years to the mid-point of the valuation year, and loaded them for applicable taxes and expense.

A weighted-average of the six periodic average per-capita costs was then calculated, with the heaviest weight given to the most recent period. Using the aging rates, the per-capita costs were then allocated by age. The weighted-average drug claims cost was further adjusted to allow for retirees age 65 and older to have a 65% reduction in claim cost once becoming eligible for the provincial senior's drug program.

Demographic Assumptions

Mortality assumptions are based on the 2014 Canadian Pensioners Mortality Public Sector table (CPM 2014). The improvement table applied to the mortality table to reflect future improvements in mortality is the Canadian Pensioners Mortality improvement scale (CPM Scale). This CPM Scale B table is a two-dimensional table of improvement rates by age that decreases in a linear fashion for years 2012 - 2030.

For termination incidence rates we have continued to use the published Ontario medium termination rates, to reflect the expected termination rates of members.

Retirement rates reflect the assumptions used in the OMERS Pension Plan funding valuation for periods after 2014.

Actuarial Cost Method

With respect to the post-retirement benefits, the actuarial valuation determines the defined benefit obligation (the “DBO”) and the current service cost as described under IAS 19.

The DBO at a particular date for an employee can be defined as the total present value of all expected future benefit payments that is attributed to service earned to that date. The current service cost for an employee can be defined as the present value of all expected future benefit payments that is attributed to the current year. For retired employees (or employees already eligible to retire and receive benefits), the current service cost is equal to zero as no further service adds to the value of the benefits. The DBO and current service cost for the Plan at a particular date would be the sum of the individual DBOs and current service costs for all employees and retirees.

The DBO of the Plan was determined using the Projected Unit Credit Method.

Under this method, the projected post-retirement benefit is deemed to be earned on a pro-rata basis over years of service to date of full eligibility. The DBO for each member is equal to the present value of the projected benefits up to the valuation date. The annual current benefit cost for a member is equal to the value of the benefits expected to be earned in each of the years following the valuation date, up to the next valuation date. The total DBO and the total current period benefit cost are determined by summing these amounts for all individuals.

The attribution method under IAS19 uses the period from the date at which service first contributes towards earning a benefit, to date of full eligibility, e.g. from age 45 (or later) to age 55 with ten years of service for certain health and dental benefits.

Appendix C. **SUMMARY OF PLAN PROVISIONS**

The following is a summary of the plan provisions that are pertinent to this valuation.

Effective Date of the Program

The program is governed by the following collective agreements:

- Hydro Division Collective Agreement: effective April 1, 2015 to March 31, 2019
- Water Division Collective Agreement: effective July 1, 2015 to December 31, 2018
- Services Division Collective Agreement: effective July 1, 2016 to December 31, 2019

Eligibility

All employees who retire in accordance with OMERS regulations from EnWin Utilities Ltd. with a minimum of 10 years of active service are eligible for post-retirement health and dental benefits.

Effective 2012, the plan was amended to include the transfer of active management and union employees of WUC.

Participants Contributions

EnWin Utilities Ltd. pays 100% of the cost of the life insurance benefits as well as the health and dental benefits for the retirees and their covered dependents for all eligible employees.

Past Service

Past service is defined as continuous service prior to joining the plan if the participant was employed with another electrical distribution company/utility prior to joining EnWin Utilities Ltd.

Length of Service

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

Summary of Health and Dental Benefits for EnWin Utilities Hydro Division Employees

Effective April 1, 2012, union employees of EnWin Utilities Ltd.'s Hydro division receive the following:

- Employees hired prior to April 1, 2002 who retire from the service of EnWin Utilities Ltd. with a minimum of 10 years of active service receive lifetime retiree health and dental benefits.
- Employees hired on or after April 1, 2002 who retire from the service of EnWin Utilities Ltd. with a minimum of 10 years of active service receive retiree health and dental benefits to age 65.

Summary of Health and Dental Benefits for EnWin Utilities Services Division Employees

Effective January 1, 2013, union employees of EnWin Utilities Ltd.'s Services divisions receive the following:

- Employees hired prior to July 23, 2013 who retire from the service of EnWin Utilities Ltd. with a minimum of 10 years of active service receive retiree health and dental benefits payable for life.
- Employees hired on or after July 23, 2013 who retire from the service of EnWin Utilities Ltd. with a minimum of 10 years of active service receive retiree health and dental benefits to age 65.

Summary of Health and Dental Benefits for EnWin Utilities Ltd. Water Division Employees

Effective July 1, 2012 union employees of the EnWin Utilities Ltd.'s Water division receive the following:

- Employees who hired before November 21, 2012 from the service of the Windsor Utilities Commission/EnWin Utilities Ltd. with a minimum of 10 years of active service receive retiree health and dental benefits for life.

Employees hired on or after November 21, 2012, who retire from the service of the Windsor Utilities Commission/EnWin Utilities Ltd. with a minimum of 10 years of active service, receive retiree health and dental benefits to age 65 of the member.

Summary of Health and Dental Benefits for Management Employees

Management employees of EnWin Utilities Ltd. receive the following:

- Employees hired prior to April 1, 2002 who retire from the service of EnWin Utilities Ltd. with a minimum of 10 years of active service receive retiree health and dental benefits payable for life.
- Employees hired on or after April 1, 2002 and before December 31, 2013 who retire with a minimum of 10 years of active service receive a health care spending credit to have eligible claims reimbursed up to a maximum equal to \$5,000 for each completed year of service. This credit is to be used solely for the intention of purchasing post-retirement health and/or dental benefit coverage.
- Employees hired on or after January 1, 2014 with a minimum of 10 years of active service, receive retiree health and dental benefits to age 65 of the member.

Health and Dental Benefit Description

A full description of the different post-retirement health and dental benefits provided to the EnWin employees is provided in the Insurers benefit booklet. We have provided a condensed summary of some of the main benefits below:

Health/Dental Benefits	Services Union Retiree	Hydro Union Retiree	WUC Union Retiree	Management/ Non Union Retirees
Prescription drugs	\$5.00 co-payment; generic equivalent drug substitution applies	\$5.00 co-payment; generic equivalent drug substitution applies	\$5.00 co-payment; mandatory generic drugs; excludes over the counter drugs	\$5.00 co-payment; mandatory generic drugs; excludes over the counter drugs
Vision	\$350 every 24 months; can be applied to laser eye surgery & eye exams. \$85 maximum every 2 years for eye exam.	\$350 every 24 months; can be applied to laser eye surgery & eye exams. \$85 maximum every 2 years for eye exam.	\$350 every 24 months; can be applied to laser eye surgery & eye exams. \$85 maximum every 2 years for eye exam.	\$350 every 24 months; can be applied to laser eye surgery & eye exams. \$85 maximum every 2 years for eye exam.
Semi Private Hospital	Semi private coverage; private room coverage up to a lifetime maximum to \$1,000	Semi private coverage; private room coverage up to a lifetime maximum to \$1,000	Semi private coverage; private room coverage up to a lifetime maximum to \$1,000	Semi private coverage; private room coverage up to a lifetime maximum to \$1,000
Audio	Cost of standard hearing aid plus pre-determined dispensing fee, once every 3 yrs.	Cost of standard hearing aid plus pre-determined dispensing fee, once every 3 yrs.	Cost of standard hearing aid plus pre-determined dispensing fee, once every 3 yrs.	Cost of standard hearing aid plus pre-determined dispensing fee, once every 3 yrs.
Nursing Home	\$10,000 Lifetime max applied to Long Term Care Facility or private duty nursing (RN) in home on a full shift basis	\$10,000 Lifetime max applied to Long Term Care Facility or private duty nursing (RN) in home on a full shift basis	\$10,000 Lifetime max applied to Long Term Care Facility or private duty nursing (RN) in home on a full shift basis	\$10,000 Lifetime max applied to Long Term Care Facility or private duty nursing (RN) in home on a full shift basis
Paramedical Services	Chiropractic \$800 per calendar year; Registered Massage Therapist \$7/visit, maximum 12 visits per year	Chiropractic \$800 per calendar year; Registered Massage Therapist \$7/visit, maximum 12 visits per year	Chiropractic \$800 per calendar year; Registered Massage Therapist \$7/visit, maximum 12 visits per year	Chiropractic \$800 per calendar year; Registered Massage Therapist \$7/visit, maximum 12 visits per year
Out of Province	180 days per trip; max \$1,000,000 per calendar year for Emergency Services; \$50,000 per calendar year for Referral Services	180 days per trip; max \$1,000,000 per calendar year for Emergency Services; \$50,000 per calendar year for Referral Services	180 days per trip; max \$1,000,000 per calendar year for Emergency Services; \$50,000 per calendar year for Referral Services	180 days per trip; max \$1,000,000 per calendar year for Emergency Services; \$50,000 per calendar year for Referral Services
Dental - Orthodontic	Orthodontic coverage to a lifetime max of \$2,000.	Orthodontic coverage to a lifetime max of \$2,500.	Orthodontic coverage to a lifetime max of \$2,500.	Orthodontic coverage to a lifetime max of \$2,500.
Dental - Bridges & Crowns	\$1,500 per calendar year	\$1,000 per calendar year	\$1,000 per calendar year.	\$2,500 per calendar year.

Summary of Life Insurance Benefits

All employees who retire from EnWin Utilities Ltd. are eligible for post-retirement life insurance, administered by Sun Life (previously Medavie Blue Cross), based upon the following table:

Plan Option	Amount of Coverage	Eligibility
A	70% of the amount for which employee was insured prior to retirement.	If employee was hired prior to January 1, 1969 (and did not elect additional life insurance).
B	50% of final annual earnings prior to retirement.	If employee was hired after January 1, 1969 and before March 1, 1980 (and did not elect additional life insurance).
C	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years to a final benefit equal to 25% of final annual earnings.	If employees in (A) or (B) elect additional Life Insurance at anytime prior to retirement, retirement coverage will be (C). All other employees who retire with at least 10 years of service.
D	Flat \$2,000.	If employee retires with less than 10 years of service.

Appendix D. EMPLOYER CERTIFICATE

With regards to this report for accounting purposes on EnWin Utilities Ltd.'s employee future benefits as of December 31, 2018, I certify that, to the best of my knowledge and belief:

- The membership data provided to the actuary and summarized in Appendix A, includes a complete and accurate description of every person who is entitled to benefits under the terms of the plan for membership up to October 31, 2016, and is appropriate at December 31, 2018;
- Management's best estimate assumptions for purposes of the extrapolation and disclosures are those described in Appendix B of this report;
- The summary of the plan provisions provided in Appendix C is a reasonable outline of the Plan provisions as of December 31, 2018 as provided to and confirmed with the actuary;
- Accounting policies adopted by EnWin Utilities Ltd. are those described in this report; and
- All events subsequent to December 31, 2018 that may have an impact on the valuation and extrapolation have been communicated to the actuary.

2019-03-11
Date

M. Carlini
Signature

MATT CARLINI
Name

DIRECTOR, FINANCE
Title



ATTACHMENT 4 - I

Study of Affiliate Service Costs and Cost Allocation

STUDY OF AFFILIATE SERVICE COSTS AND COST ALLOCATION

***Prepared for
ENWIN Utilities Ltd.
August 29, 2008***

BDR

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EXECUTIVE SUMMARY

As part of the Settlement Proposal filed in connection with its 2006 rates, *ENWIN* Utilities Ltd. (“EWU”) undertook to “conduct a study and prepare a report related to affiliate costs and revenues and transfer pricing arrangements”. Following a request for competitive proposals, BDR NorthAmerica Inc. (“BDR”) was retained to review EWU’s approaches to transfer pricing arrangements, and has prepared this report.

At the time of EWU’s 2006 rate application, shared corporate services were being provided to EWU by an affiliate service company. As a result of a corporate reorganization, all resources for the provision of shared corporate services now reside within EWU. EWU provides those services for itself and its affiliates, and receives revenues from affiliates in payment for those services. Services include management oversight, billing and certain other activities in support of EWU’s affiliates: the Windsor Utilities Commission (“WUC”), the City of Windsor (the “City”) and *ENWIN* Energy (EWE). Based upon information provided by EWU to BDR, BDR has considered all shared services EWU provides to WUC to be shared corporate services for purposes of its evaluation of transfer pricing methodology. Up until the end of 2007, EWU also provided services to Maxium, an arms-length 3rd party. Those services were provided as a condition of the sale of EWU’s hot water rental business to the private company.

EWU has an existing methodology for transfer pricing of cost-based services, and uses an electronic spreadsheet developed for it by KPMG to allocate costs. BDR’s review therefore entailed identifying each cost component, identifying the allocator used for it in the KPMG model, and assessing it for reasonableness. Reasonableness was judged by the experience of BDR in cost allocation, and compared with the methodologies used by a sample of other Ontario electricity distributors.

BDR considers the selection of allocation bases used by EWU to be reasonable and appropriate based on the type of costs involved and the information available. EWU has used time-based allocations in many instances, and where it has elected not to do so, BDR believes that the selected cost driver is valid on a forecast basis (as for test year purposes), and would have the benefit of producing a consistent relative allocation from year to year.

Where EWU provides services to affiliates that are not shared services, EWU uses cost-based pricing, cost-plus pricing or direct assignment of cost to determine the appropriate fee for those services. The methods used to determine those costs are also appropriate and reasonable.

1 SCOPE OF STUDY

In its application for approval of 2006 rates, EWU filed material in support of its approach to transfer pricing of affiliate services performed by and for its affiliates. In the subsequent Settlement Proposal, EWU undertook to file a more extensive review when its rates were next rebased. Accordingly EWU requested BDR NorthAmerica Inc. (“BDR”) to prepare this report as to the accuracy and prudence of its affiliate costs and revenues and transfer pricing arrangements, and if appropriate, to suggest changes that will improve the fairness or accuracy of the transfer pricing.

Two sources of information were used by BDR in this study:

- Data as to affiliate relationships, the nature of affiliate transactions, pricing, and statistics used in the development of cost allocators, were provided by the management of EWU and accepted by BDR as correct and complete, subject to a review as to reasonableness, but without independent verification.
- Documentation of approaches used in affiliate transfer pricing by other electric utilities, as submitted in rate approval filings to the Ontario Energy Board (“OEB”), and where available, the comments of the OEB as to the acceptability of those approaches.

The focus of the study is entirely on the appropriateness of the transfer pricing arrangements and the costs charged by EWU to affiliates, and is not intended as a broader audit of compliance with any other aspect of the Affiliate Relationships Code for Transmitters and Distributors (“ARC”).

2 NATURE OF AFFILIATE TRANSACTIONS

The majority of affiliate transactions in terms of volume and dollar value consist of services provided by EWU to WUC under the Managed Services Agreement (“MSA”). These, as listed in the MSA, include:

- Administration
- Corporate Communications
- Customer Service and Billing
- Employee Future Benefits
- Finance
- Fleet Management
- Human Resources
- Information Technology Support

- Meter Reading
- Purchasing and Inventory Management; and
- Site Services.

In the course of the assignment, BDR was advised that while governance of the City's water system and services rests with the WUC, the operation of the water management system is wholly within EWU. As background EWU advised BDR that historically, the management of the City's water system and services were combined with electricity distribution as part of the Windsor Utilities Commission. Upon corporatization of electricity distribution in Enwin Powerlines (the predecessor of EWU), the water management services were transferred to EWU together with the applicable employees as permitted under subsection 5(2) of Ontario Regulation 161/99 which provides the necessary exemption from section 71 of the OEB Act. Accordingly, in consultation with EWU, BDR has assumed that water management is eligible for treatment as a Shared Corporate Service of EWU, and has focused on the appropriateness of EWU's approach to allocation of cost between distribution and water management.

As well, certain staff and functions related to water management services located within the EWU organizational structure are charged out directly to WUC.

Based on year-end 2007 figures in the KPMG cost allocation model, the full cost of shared activities was \$21.5 million. Of this, 50.11% was allocated to EWU, and the remaining amount in various proportions to its affiliates and Maxium. BDR is advised by EWU that, as of the date of this report, there are no longer shared services provided to Maxess or Maxium. In 2007, according to data provided to BDR in the KPMG cost allocation model, Maxess and Maxium accounted for a combined total of \$497,990 (2.32%) of allocated costs. In light of their limited use of shared services in 2007 and discontinued use of shared services in advance of the Cost of Service test year, Maxess and Maxium are not considered in this report.

In addition to shared services, there are transactions carried out between EWU and its affiliates in the ordinary course of business of each. For example, EWU provides electricity distribution services to affiliates at the OEB-approved rates and charges. The City of Windsor charges property taxes at standard rates to property owned by EWU. EWE undertakes Ontario Power Authority ("OPA") conservation and demand management programs on behalf of EWU and receives OPA funds for that purpose through EWU on a pass-through basis. In 2007, EWU performed street light and sentinel light maintenance services for its affiliates, at cost plus a markup. These transactions were reviewed by BDR and found to involve relatively minor dollar values. Accordingly, most of the focus of the study was on shared services.

The ARC sets out the high level requirements for affiliate transfer pricing, and specifies the costs that must be included in “fully allocated cost”. However, the OEB has to date left it to each LDC to develop market pricing benchmarks where necessary and to select appropriate allocators for cost-based pricing. Therefore there remain some key differences among LDCs as to allocators selected and as to the degree to which they have implemented market-based pricing for affiliate transactions.

In BDR’s view, EWU, by commissioning development of the KPMG Model and using it for allocation of shared corporate services, has set a solid basis for compliance with the transfer pricing requirements of the ARC. The KPMG Model allows cost information from EWU’s financial statements to be used in developing and allocating the direct costs of affiliate services, and includes a proportionate allocation of indirect costs, including a pre-tax rate of return on assets.

There are over 20 major cost drivers used in the KPMG Model and dozens of minor cost drivers that are subsets of the major cost drivers. For example, one major cost driver is floor space, which can be employed where costs are constant in all buildings, such as it would be for janitorial services. There is also a minor floor space cost driver associated with each of EWU’s buildings, which can be employed where costs differ between buildings, such as would be the case for property tax.

EWU has used time-based allocations in many instances, and where it has elected not to do so, EWU has allocated costs based on factors, or combinations of factors, which are believed to reasonably reflect or determine cost responsibility over the long term. BDR believes that the selected cost drivers are valid on a forecast basis (as for test year purposes), and would have the benefit of producing consistent relative allocations from year to year. An example of an appropriate use of such a cost driver is the allocation of human resource services by employee full-time equivalents, rather than on a recorded time basis.

BDR considers EWU’s selection of particular cost drivers used to allocate particular costs to be reasonable for the vast majority of the over 50 types of costs allocated by the KMG model. In the single case noted below, BDR recommends that EWU consider alternative cost drivers. BDR has been advised by EWU that there is no material financial consequence to adopting or not adopting this recommendation.

The following cost driver alternatives are recommended:

- Insurance Costs: Net or replacement asset values rather total direct expense.

3 TRANSFER PRICING

3.1 *Shared Costs*

Shared costs are allocated by EWU to WUC, the City and EWE according to cost drivers. The costs of the shared services set out below are allocated to each of these affiliates, with the exception of services related to Fleet, Metering, Executive and management and some Other Services, of which no portion is allocated to the City. All shared services are provided by EWU on a fully allocated cost basis.

TABLE 1: SHARED COSTS	
Human Resources services, including:	<ul style="list-style-type: none">➤ Provision of staffing requirements both management and union;➤ Administration of compensation, both management and union, and including contract negotiation;➤ Pension administration➤ Performance evaluation.
Finance and accounting service, including:	<ul style="list-style-type: none">➤ Preparation of financial reports;➤ Cash management➤ Management of insurance requirements➤ Processing of financial transactions➤ Payroll administration➤ Computation and payment of taxes
Billing and collection services, including:	<ul style="list-style-type: none">➤ Maintenance of customer files;➤ Preparation and distribution of invoices➤ Payment of amounts received to WUC;➤ Ensuring rates are in compliance with requirements;➤ Preparation of variance reports;➤ Advise of inaccurate or questionable readings for action.
Purchasing and inventory managed services, including:	<ul style="list-style-type: none">➤ All procurement services;➤ All inventory management services, and delivery of inventory to job site as required;➤ Compliance with industry requirements including testing and certification.
Fleet and site managed services, including:	

TABLE 1: SHARED COSTS	
	<ul style="list-style-type: none"> ➤ Assistance with requirements planning ➤ Provision of all vehicles and equipment ➤ Assistance in management of affiliate owned or controlled sites ➤ After hours fueling for vehicles ➤ Inside parking for vehicles.
Information services, including:	<ul style="list-style-type: none"> ➤ Assistance in decisions related to purchase of hardware and software ➤ Installation of software; ➤ Assistance in licensing issues of hardware and software (as agreed) ➤ Coordination of user training ➤ Help desk services ➤ Assistance with internet policy ➤ Security, storage and safekeeping of data; ➤ Application research ➤ Assistance with privacy legislation compliance ➤ Provision of and assistance with phone system ➤ Assistance in running queries.
Technical and customer services, including:	<ul style="list-style-type: none"> ➤ Call center; ➤ Working with developers ➤ Meter testing, repair and accreditation ➤ Meter reading ➤ Integrity control of meter data ➤ Meter data management and account master files ➤ Website, electronic commerce and external communications
Other services, including:	<ul style="list-style-type: none"> ➤ Sorting and delivering incoming mail; ➤ Forms management and design; ➤ Office supplies inventory control ➤ Board and shareholder communication ➤ Communication with external legal counsel ➤ Corporate secretary and official witness services ➤ Freedom of Information coordination ➤ Executive level management ➤ Senior and engineering management, as required.
Executive and management	

3.2 *Directly Assigned Costs*

Aside from civic and utility services that EWU's affiliates provide throughout the City of Windsor, the only services of its affiliates received by EWU are OPA programming services provided by EWE. These services are provided on a pass-through basis whereby EWU contracts with the OPA for programming and EWE carries out that programming using OPA funds.

There are a few cases where EWU's affiliates pay EWU for directly assignable costs. In some cases, such as water management, these costs are quantified and allocated through the KPMG Model with 100% allocated to the directly assignable affiliate. In Table 2, the costs that are directly assigned outside of the KPMG Model are set forth.

TABLE 2: DIRECTLY ASSIGNED COSTS			
Affiliate	Nature of Product or Service	Basis of Charge	BDR Comment
EWU	OPA programming	Pass-through from OPA to EWE	Appropriate
City of Windsor	Electricity Services	OEB approved rates	Appropriate.
	Shared Motorola software	Allocation of costs as incurred from third party supplier, based on a 50-50 split	Market based cost, basis of allocation appropriate.
	CIS Asset Use	Proportion of bill segments, with markup.	Appropriate.

TABLE 2: DIRECTLY ASSIGNED COSTS			
Affiliate	Nature of Product or Service	Basis of Charge	BDR Comment
	Festival lighting and street light related services	Direct and indirect costs, plus markup at 9%.	BDR was advised that the City of Windsor was not in a position to obtain the services from an alternate supplier until summer 2008. Transfer price exceeds fully allocated cost, and no market price is available. Appropriate for 2007. Not applicable in 2009.
	Miscellaneous field work – relocations, etc.	Direct and indirect costs, without markup.	Not a market service. Transfer price recovers all costs. Appropriate.
EWE	CIS Asset Use	Proportion of bill segments, with markup.	Appropriate.

TABLE 2: DIRECTLY ASSIGNED COSTS			
Affiliate	Nature of Product or Service	Basis of Charge	BDR Comment
	Sentinel light maintenance	Direct and indirect costs.	Reasonable as fully allocated costs are recovered. BDR was advised that this service was expected to be discontinued by 2009. Appropriate for 2007. Not applicable in 2009.
	Maintenance crew	Direct and indirect costs	New service initiated in 2008. Appropriate.
Windsor Utilities Commission (WUC)	Electricity	OEB approved rates.	As to any consumer. Appropriate.
	CIS Asset Use	Proportion of bill segments, with markup.	Appropriate.
	Shared binding machine	Share of costs on a 50-50 basis	Judgment-based. Reasonable.
	AED unit (defibrillator)	Purchased at cost	Appropriate.
	Securing poles at WUC excavation	Fully allocated cost	Not a market service. Appropriate.
	Stores issue materials	As used – at cost plus burdens	Recovers fully allocated cost. Appropriate.

4 KPMG MODEL, COST DRIVERS AND USE OF ALLOCATORS

4.1 *Selection of Cost Allocation Approaches*

EWU has an existing methodology for transfer pricing of cost-based services, as computed in the KPMG spreadsheet. Our approach therefore entailed identifying each cost component, identifying the allocator used for it in the KPMG model, and assessing it for reasonableness. Reasonableness was judged by the experience of BDR in cost allocation, and checked against the methodologies used by the utilities reviewed in Appendix D and set out in Table 6.

As emphasized in a study by R.J. Rudden Associates filed by Hydro One with the OEB in RP-2005-0020/EB-2005-0378, BDR believes that in general an allocation approach should be used only where a direct assignment of costs cannot be made. In particular, resources, whether human, financial or equipment, which are fully dedicated to the service of one affiliate, should have their costs assigned to that affiliate. Resources which are shared, but for which (or whom) utilization can be tracked (for example through work orders or timesheets) or estimated with high confidence, should be in most cases be directly assigned in accordance with that utilization.

However, in certain instances a cost function may vary over time as to utilization by affiliates, and in an unpredictable way. For example, utilization of help desk services would vary over time with the level of experience of users or the introduction of new technology; use of human resources services might vary according to hiring or de-hiring requirements. In BDR's view it would be reasonable in such cases to allocate for purposes of a forecast (i.e. for the test year) based on a relatively stable measure of the key variable that causes the need for services. To carry forward these specific examples, help desk services could be allocated on the basis of number of workstations, and human resources services based on the number of employees (FTEs), rather than on the basis of staff time recorded to the service of each affiliate.

Where a cost function is shared, but its utilization cannot efficiently or effectively be tracked directly to EWU or affiliates, a cost driver (allocation factor) should be selected which reflects the best understanding of the factors of cost causation or relative sharing of benefits.

4.2 *Costs Related to Assets*

After computing the allocation of direct expenses, the KPMG model proceeds to assign an allocation factor to each class of general assets, and thereby to allocate depreciation, interest and rate of return. The rate of return should be the rate currently allowed by the OEB, reflecting a deemed capital structure and after-tax

return on equity. This methodology is correctly reflected in the KPMG model, and allowed specific variables to be updated to reflect updated capital structure and rate of return values as approved by the OEB.

5 ASSESSMENT OF ALLOCATION METHODOLOGY

5.1 *Review of Cost Drivers in Use*

At present, all shared services provided by EWU to affiliates are priced on a cost basis. EWU's computation of fully allocated cost is made using the KPMG model. The next step in the analysis was therefore to review the cost allocation methodology for appropriateness.

Table 3 summarizes our review of the cost drivers selected for allocation in the KPMG model.

TABLE 3: SUMMARY OF MAJOR COST DRIVERS	
Cost Allocator	Explanation and Definition
IT User Support	Technical support based on number of computers, printers and software. Software component based on number of installations of the software. Overall allocator is based on a 50/50 weighting of hardware and software.
IT Networking	Based on number of computers in EWU departments, where each department's computers are allocated as the department's costs are allocated.
IT Development	Based on documentation of staff time on each of the key major systems. Costs assigned to each system were then allocated using the driver appropriate to that system's functions. (e.g. the CIS system based on number of meters).
IT Consultants	Costs first identified by system, based on inspection of the invoice, then the cost associated with each system allocated using the allocator for the key user department (e.g. the finance function allocator for the financial system)
Finance Staff	Based on estimate of time by activity, compiled by management
Customer Care	Number of bills by service type (e.g. electricity , water, sewer, EWE)
Customer Count	Number of bills by service type, excluding EWE

TABLE 3: SUMMARY OF MAJOR COST DRIVERS	
Cost Allocator	Explanation and Definition
Motorola CSR	Based on number of calls received as logged by system, by service (electricity, water or sewer services)
Executives (Overhead)	Based on overall direct cost allocation from all departments
CEO	As Executives (Overhead), based on overall direct cost allocation from all departments
Board of Directors	Estimated by management judgment
Purchasing Staff	Number of purchase requisitions and purchase orders
Stores	Clarified with EWU staff as first allocated to affiliate companies based on purchase requisitions and purchase orders, and then to departments using FTE as a proxy for relative operating budgets and levels of activity.
Fleet	Seven allocators, one for each class of vehicle, and one that is a total count of vehicles
Staffing	Three allocators based on full time equivalents (FTE) and one based on labour costs
Meters	Count of meters
Floor space	Three allocators, one for each major building, and one that is a weighted average of the two buildings
Direct Assignments 100%	Where a cost is specifically identified as attributed to only one affiliate
Gross Revenue	On the gross revenue of each company. Verified that EWU revenue includes utility revenue only, and all market “pass-throughs” are excluded.
Inter company balances	For allocation of interest charges only

Table 4 summarizes the use of the cost allocators for the costs of each department and comments on the appropriateness and reasonableness of each.

TABLE 4: SUMMARY OF THE USE OF ALLOCATORS FOR DIFFERENT COST FUNCTIONS			
	Department	Cost Allocator Used	Comment
002	Board of Directors	Board of Directors	Appropriate
010	Executives – community relations	FTE	Verified that the activity is in fact mainly internal communications. Therefore FTE is appropriate as allocator.
010	Executives – salaries and benefits	Executives	Appropriate
010	Executives – liability insurance	Executives	Recommend net asset values as allocator for insurance.
010	Executives – Municipal and property taxes	Floor space	Appropriate
012	Corporate services Senior Management	Executives	Appropriate
014	WUC Senior Management	100% WUC	Appropriate
017	VP Finance	Executives	This allocator accepted as appropriate in view of the diverse responsibilities of this position.
018	VP Corporate Services	Executives	Appropriate
019	Water Division	100% WUC	Appropriate
026	Site Services Rhodes Drive	Building related items on Floor Space, Rhodes, vehicle related items based on number of vehicles; technical services component based on “customer care”.	Verified in discussion with EWU staff that the separation of costs reflects use of the building. Customer care component is the mail room. Appropriate.
028	Fleet Services	Fleet allocator—number of vehicles	Appropriate

TABLE 4: SUMMARY OF THE USE OF ALLOCATORS FOR DIFFERENT COST FUNCTIONS			
	Department	Cost Allocator Used	Comment
031	Weld Shop	Fleet allocator – number of vehicles	Verified that this function supports the fleet; allocation therefore appropriate.
057	Technology Services and Support	IT User support	Appropriate
058	Systems Development	IT Development	Appropriate
060	Director, Information Services	IT General for in-house costs, IT Consultants for outsourced costs	Appropriate
061	Site Services, Ouellette location	Floor space, Ouellette	Appropriate
062	Mail Processing	Customer Care and Customer Count	Refinement reflects inclusion of mailings to EWE client customers. Each allocator, and this distinction are applied appropriately.
064	Purchasing	Purchasing staff	Appropriate
065	Financial Services – activities	Finance staff	Appropriate
065	Financial Services – capital tax	Floor space	Capital tax associated with the general assets only; therefore appropriate.
065	Financial Services – Miscellaneous Write-Offs	Customer care	Clarified that this item consists of write-offs of specific service charges. Since these either pertain jointly to the electricity and water bill, or cannot be identified by the system as one or the other, the allocator used is appropriate.

TABLE 4: SUMMARY OF THE USE OF ALLOCATORS FOR DIFFERENT COST FUNCTIONS			
Department		Cost Allocator Used	Comment
066	HR Salary Contingency	FTE	Includes provision for severance, etc. Allocation proportionate to FTE, rather than as incurred, is stable over time. Therefore appropriate.
068	Stores	Stores	Appropriate
070	Human Resources	FTE all companies	Appropriate
077	Cashiers	Customer Care	Appropriate
080	Public Relations	FTE	Appropriate for internal communications; for external communications use number of customers.
085	Post retirement benefits	Labour costs	Appropriate
090	Call center	Customer care	Appropriate
091	311 Call center	Motorola	Appropriate
093	Meter Reading	All Meters	Appropriate
094	Regulatory	100% EWU	Appropriate

Table 5 summarizes the use of cost drivers in the allocation of general assets.

TABLE 5: SUMMARY OF THE USE OF ALLOCATORS FOR DIFFERENT ASSET CLASSES		
Asset	Cost Allocator Used	Comment
Buildings - renovations/improvements to Ouellette	Floor_Space_Ouellette	All choices of allocators for assets are appropriate.
Rhodes Drive Operating Center	Floor_Space_Rhodes	
Distribution Meters	100% EWU	
Office Furniture and Equipment	FTE	
Computer Hardware	IT_Development	
Computer Software:	IT_Development	
FIS	Finance Staff	
CIS	Customer_Care	
Misc IT	IT_Development	
CIS Hardware and Software	Customer_Care	
Natural Gas Vehicle Fueling Station	Fleet	
Automobiles, Vans, Trucks, Trailers, Specialty Equipment, Miscellaneous Equipment, Tools and Instruments, Shop and Garage Equipment, Measuring and Testing Equipment, Power Operated Equipment	Fleet	
Communication Equipment	FTE	
Stores Equipment	Stores	
HR system	FTE	
FIS System	Finance Staff	
CIS System	Customer Care	
Miscellaneous IT	IT Development	
Mail Machine	Customer Care, Customer Count	

APPENDIX A – AFFILIATE RELATIONSHIPS CODE

The Ontario Energy Board (“OEB”), which regulates Ontario LDCs including EWU, has a mandate to protect the interests of distribution ratepayers by ensuring that rates are just and reasonable. Where a regulated utility purchases products or services from an affiliate, or sells products or services to an affiliate, the transaction represents a potential opportunity for the affiliate to obtain an advantage for the affiliate at the expense of the regulated ratepayers. However, transactions between affiliates may also present opportunities for affiliates to reduce collective costs through shared services and thereby benefit ratepayers.

In preparation for the changes in the electricity industry brought about by the *Energy Competition Act, 1998*, and the opening of the competitive electricity market, the OEB developed the Affiliate Relationships Code for Electricity Distributors and Transmitters (“ARC”), which contained high level provisions requiring fair market value pricing between affiliates where a market existed for the product or service, and pricing at fully allocated cost otherwise, and which also set requirements to limit the sharing of employees and information with affiliates of certain types.

While other mechanisms exist to review general compliance of LDCs with the ARC, the focus of OEB cost review in the context of a distribution rate application is on the methodology of cost allocation and the appropriateness of the transfer price.

Changes in the industry and in the mandate of the OEB itself led to publication of a Staff report in June, 2007¹ and subsequent stakeholder consultation on issues related to the provisions of the ARC. As a result, some proposals were made for revisions to the ARC that clarify the requirements defining the types of “service, resource or product” that may be priced between affiliates on a cost basis, and also accepted methodologies for determining either cost-based or market pricing. A revised ARC was published by the OEB on May 16, 2008.

All amendments except those to Section 2.3 came into force on May 16, 2008. The amendments to Section 2.3 will come into force three months following that date. Since all amendments will be in force during EWU’s test year 2009, BDR’s review has been carried out in the context of the fully amended ARC.

ARC Section 2.3 sets out the current transfer pricing rules:

¹ Staff Research Paper: Affiliate Relationships Code for Electricity Distributors and Transmitters, EB – 2007 – 0062 June 15, 2007.

“2.3.3 Where a Market Exists

2.3.3.1 Where a reasonably competitive market exists for a service, product, resource or use of asset, a utility shall pay no more than the market price when acquiring that service, product, resource or use of asset from an affiliate.

2.3.3.2 A fair and open competitive bidding process shall be used to establish the market price before a utility enters into or renews an Affiliate Contract under which the utility is acquiring a service, product, resource or use of asset from an affiliate.

2.3.3.3 Despite section 2.3.3.2, where satisfactory benchmarking or other evidence of market price is available, a competitive tendering or bidding process is not required to establish the market price for a contract with an annual value of less than \$100,000 or 0.1% of the utility's utility revenue, whichever is greater.

Where an Affiliate Contract has a term of more than one year, the annual value of the Affiliate Contract shall be determined by dividing the total value of the Affiliate Contract by the number of years in the term.

2.3.3.4 Where the value of a proposed contract over its term exceeds \$500,000 or 0.5% of the utility's utility revenue, whichever is greater, a utility shall not award the contract to an affiliate before an independent evaluator retained by the utility has reported to the utility on how the competing bids meet the criteria established by the utility for the competitive bidding process.

2.3.3.5 The Board may, for the purposes of sections 2.3.3.3 and 2.3.3.4, consider more than one Affiliate Contract to be a single Affiliate Contract where they have been entered into for the purpose of setting the contract values at levels below the threshold level set out in section 2.3.3.3 or 2.3.3.4.

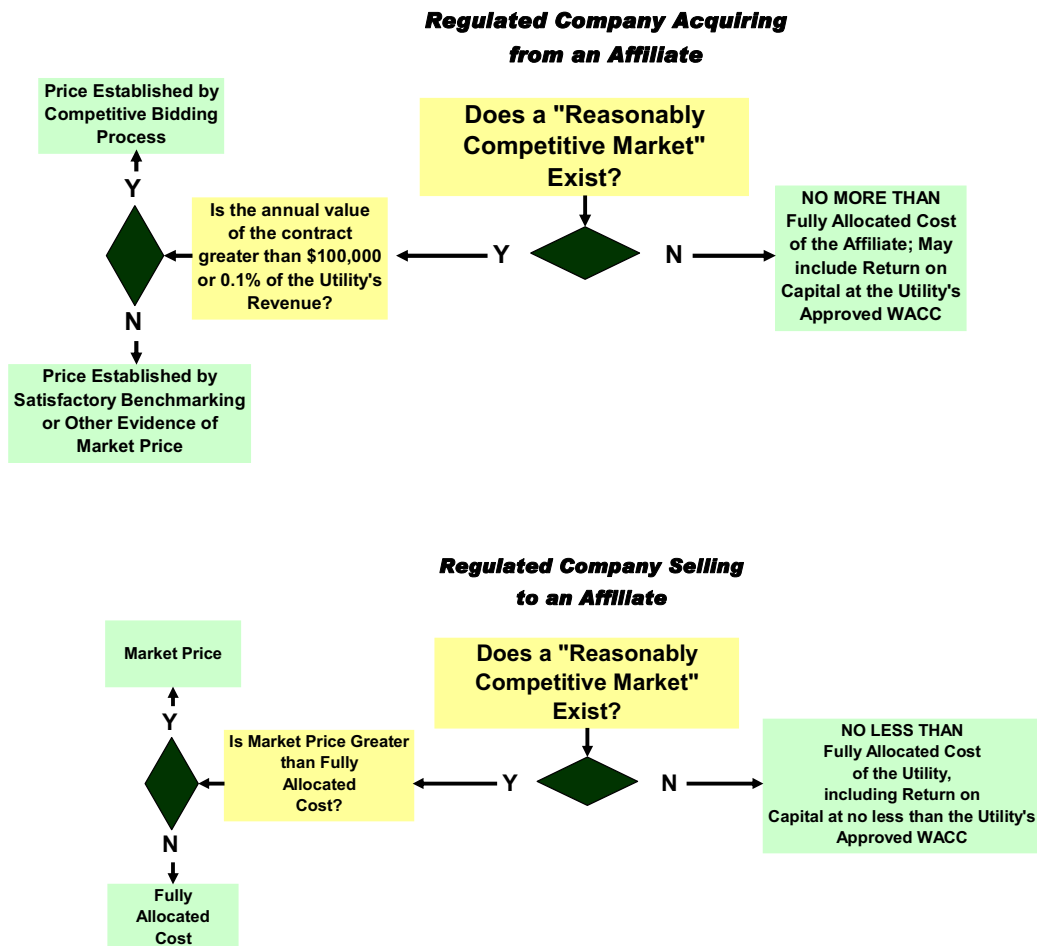
2.3.3.6 Where a reasonably competitive market exists for a service, product, resource or use of asset, a utility shall charge no less than the greater of (i) the market price of the service, product, resource or use of asset and (ii) the utility's fully allocated cost to provide service, product, resource or use of asset, when selling that service, product, resource or use of asset to an affiliate.

2.3.4 Where No Market Exists

- 2.3.4.1 Where it can be established that a reasonably competitive market does not exist for a service, product, resource or use of asset that a utility acquires from an affiliate, the utility shall pay no more than the affiliate's fully-allocated cost to provide that service, product, resource or use of asset. The fully-allocated cost may include a return on the affiliate's invested capital. The return on invested capital shall be no higher than the utility's approved weighted average cost of capital.
- 2.3.4.2 Where a reasonably competitive market does not exist for a service, product, resource or use of asset that a utility sells to an affiliate, the utility shall charge no less than its fully-allocated cost to provide that service, product, resource or use of asset. The fully-allocated cost shall include a return on the utility's invested capital. The return on invested capital shall be no less than the utility's approved weighted average cost of capital.
- 2.3.4.3 Where a utility pays a cost-based price for a service, resource, product or use of asset that is obtained from an affiliate, the utility shall obtain from the affiliate, from time to time as required to keep the information current, a detailed breakdown of the affiliate's fully-allocated cost of providing the service, resource, product or use of asset."

In order to conform to the ARC, therefore, the first step in the transfer pricing methodology, whether the transaction is a purchase or a sale by the regulated utility, is necessarily a determination of whether each "service, product, resource or use of asset" has a "reasonably competitive market" or not. If it has a competitive market, the market value must be determined by an acceptable method. If there is no market value, a cost-based price must be determined by an acceptable method. Where a cost-based price is determined, it represents the upper limit for pricing when the regulated company is **acquiring** the product or service, and the lower limit for pricing when the regulated utility is **selling** the product or service.

The following diagrams summarize the process:



An important definition for purposes of transfer pricing, included in the ARC, is that of “fully allocated costs” which is defined to mean “the sum of direct costs plus a proportional share of indirect costs”². The ARC also defines “direct costs” as “costs that can reasonably be identified with a specific unit of product or service or with a specific operation or cost centre”;³ and “indirect costs” as “costs that cannot be identified with a specific unit of product or service or with a specific operation or cost centre, and include but are not limited to overhead costs, administrative and general expenses, and taxes.”⁴ As noted above, “costs” include a return on capital, at the weighted average cost of capital which the OEB allows for the regulated company.

² ARC, Section 1.2.

³ ARC, Section 1.2.

⁴ ARC, Section 1.2.

While LDCs and their affiliates transfer a variety of services, products, resources and assets, the most common type of transactions is the sharing of what are commonly called “shared corporate services”. Included in the ARC is the following definition:

“shared corporate services” means business functions that provide shared strategic management and policy support to the corporate group of which the utility is a member, relating to legal, regulatory, procurement services, building or real estate support services, information management services, information technology services, corporate administration, finance, tax, treasury, pensions, risk management, audit services, corporate planning, human resources, health and safety, communications, investor relations, trustee, or public affairs”.⁵

Since these functions include elements that might be, but are not commonly acquired at arms length, clarification of an approved treatment in transfer pricing is beneficial. The proposed treatment is as follows:

“2.3.5 Shared Corporate Services

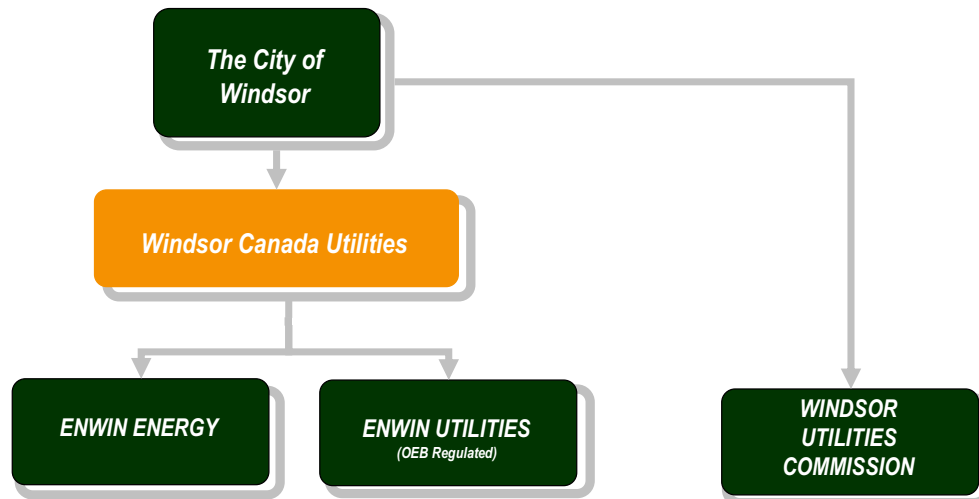
2.3.5.1 For shared corporate services, fully-allocated cost-based pricing (as calculated in accordance with sections 2.3.4.1 and 2.3.4.2) may be applied between a utility and an affiliate in lieu of applying the transfer pricing provisions of section 2.3.3.1 or section 2.3.3.6, provided that the utility complies with section 2.3.4.3.”

⁵ ARC, Section 1.2.

APPENDIX B - EWU AND ITS AFFILIATES

ENWIN Utilities Ltd. (“EWU”) owns and operates electricity distribution facilities in Windsor. Its affiliates are the City of Windsor, Windsor Canada Utilities Ltd., (“the holding company”) the Windsor Utilities Commission (“WUC”), and ENWIN Energy Ltd. (“EWE”). As is common among Ontario local distribution companies (“LDCs”) with affiliates, EWU and its affiliates share or exchange goods and services in order to maximize the effective utilization of resources and control overall costs within the corporate “family”.

The following corporate structure diagram was confirmed to BDR by EWU management as in effect at the date of this report.



The City of Windsor is the sole shareholder of Windsor Canada Utilities Ltd. Windsor Canada Utilities Ltd. is the sole shareholder of EWE and EWU. As mentioned previously, EWU is an electricity distribution company regulated by the OEB. EWE is a non-OEB regulated company that provides conservation and demand management services to the marketplace, including to EWU. EWE also engages in other competitive activities. WUC is a municipal services board of the City of Windsor, as defined by the Municipal Act, 2001. The WUC is a public utility that provides water service and operates District Energy, a downtown district heating and cooling system.

Another company, Maxess Networkx, which had been the telecommunications subsidiary of EWE, was sold earlier in 2008, and was therefore not included in this analysis.

APPENDIX C – INFORMATION PROVIDED FOR THIS STUDY BY EWU

Data for the study was provided by management of EWU, and accepted by BDR as correct and complete, subject to a review as to reasonableness, but without independent verification.

For the study, EWU provided BDR with the following information:

- a document titled “Organizational and Interorganizational Overview of ENWIN Utilities Ltd. and Associated Organizations” describing the mandate of each of the affiliated companies, and their relationships, and which included the organization chart shown in Section 1.2;
- staffing organization charts;
- the Master Services Agreement specifying the basis for supply of services by EWU to WUC;
- a spreadsheet in live Excel form, created by KPMG for the regulated company for its 2006 EDR application, and used by them on an on-going basis to compute inter-corporate allocations of costs, with associated documentation. The KPMG spreadsheet was populated with 2007 year-end data, including financial data for EWU, and the operational and statistical information required by the KPMG methodology to compute allocations.
- A spreadsheet listing financial transactions between EWU and each of its affiliates.

On March 19, 2008 BDR met with EWU management and key staff in Windsor to review the study approach and clarify the data provided. In particular the organization charts of staffing were reviewed, and it was identified that some staff functions within EWU, whose costs are included in EWU’s financial statements, are 100% dedicated to regulated activities, some are shared with affiliates, and others are 100% dedicated to an activity that serves one of those affiliates. The 100% dedicated employees are directly and exclusively charged to EWU or the affiliate using the services, as applicable. Costs associated with the shared employees are allocated among the benefiting affiliates on the basis of the KPMG spreadsheet.

BDR also met at that time with EWU staff members responsible for the population and use of the KPMG spreadsheet. Although the analysis has undergone some modifications to update drivers and data, we were advised that it is being used as delivered by KPMG. BDR did not audit or otherwise review the financial or statistical information to confirm its correctness; nor did BDR make a cell-by-cell check of the KPMG spreadsheet to determine the technical correctness of computations. BDR did use the spreadsheet as a source of data for the level of different types of costs, the cost drivers being used, and the approach taken to the

allocation of capital costs and other indirect costs and overheads which follow each direct cost.

Affiliate services were identified by review of the Master Services Agreement provided, the Affiliate Transactions spreadsheet produced by EWU staff, and the KPMG spreadsheet. They were clarified through discussion with EWU management and key staff.

In the course of the assignment, BDR was advised that while governance of the City's water system and services rests with the WUC, the operation of the water management system is wholly within EWU. As background EWU advised BDR that historically, the management of the City's water system and services were combined with electricity distribution as part of the Windsor Utilities Commission. Upon corporatization of electricity distribution in Enwin Powerlines (the predecessor of EWU), the water management services were transferred to EWU together with the applicable employees as permitted under subsection 5(2) of Ontario Regulation 161/99 which provides the necessary exemption from section 71 of the OEB Act. Accordingly, in consultation with EWU, BDR has assumed that water management is eligible for treatment as a Shared Corporate Service of EWU, and has focused on the appropriateness of EWU's approach to allocation of cost between distribution and water management.

APPENDIX D - METHODOLOGIES USED BY OTHER UTILITIES

Affiliate service transfer pricing is an issue affecting most Ontario LDCs. As pointed out in the June, 2007 Staff Report: “The majority of the approximately 85 electricity distributors and four of the five transmitters in the province have affiliates in some form. Many distributors have one or more affiliates that provide services to the distributor, and are involved in other business activities. These service affiliates are active in the provision of energy and distribution services, telecommunication services, and generation.”⁶

Many of those LDCs have in the past months made application to the OEB for approval of 2008 rates and charges on a cost of service basis (i.e. rebasing). Those with affiliate services forming either a cost or revenue for the LDC have needed to submit data and analysis in support of their affiliate transfer pricing or allocation of shared costs. Some LDCs submitted such data and analysis in prior rate approval applications.

Four examples of approaches adopted and submitted to the OEB by other Ontario LDCs were reviewed to provide insights and precedents. These are Brantford Power, Hydro Ottawa, Toronto Hydro and Hydro One Networks.

Hydro One Networks was selected because it was known to have submitted a detailed report on its shared service costing methodology in connection with its 2006 rate approvals. Hydro Ottawa and Toronto Hydro were selected because they are large urban LDCs with a holding company and affiliated non-regulated businesses. Brantford Power was selected because it was understood to operate with extensive sharing of resources with affiliates. Each LDC is different in terms of type of affiliates and the structure of service relationships.

Brantford Power has a corporate structure that consists of a holding company, an LDC, a retail company and a generation company. According to Brantford Power’s most recent rate approval filing with the OEB, EB-2007-0698, services are performed by the City of Brantford and shared via an allocation among the operating companies, including Brantford Power. Brantford Power, in its application, included a schedule setting out the cost driver or allocation approach used. In a Decision dated July 18, 2008, the OEB commented on the level of costs and referred to Brantford Power’s commitment to complete an affiliate pricing study. However, no specific comment was made on the allocation approaches or methodologies that could serve as a guide to EWU.

⁶ Ibid, page i.

Hydro Ottawa also has a holding company structure. Companies owned directly by the holding company include the LDC, an energy company and a telecom company. The energy company owns a partial interest in two generation companies. The telecom company owns 100% interest in three incorporated subsidiaries. With the exception of strategic oversight from the Holding Company, Hydro Ottawa maintains its own resources for the corporate services of Human Resources (“HR”), Information Technology (“IT”), Facilities, Supply Chain, Fleet, Regulatory and Finance. While the affiliates also have some resources of their own, Hydro Ottawa does provide certain corporate services for Energy Ottawa, Telecom Ottawa and the Holding Company. Hydro Ottawa’s holding company service costs were accepted by intervenors in the settlement agreement, based on an overall percentage which reflected 2007 experience. The OEB accepted the settlement in this regard, and did not comment further on the transfer pricing approach.

Hydro One Networks operates both distribution and transmission within a single corporate entity. It is therefore determining the separate distribution and transmission revenue requirements by allocating shared costs between these functions. In 2004, Hydro One commissioned a study by R.J. Rudden Associates for review and recommendations as to its costing approach. The study was submitted in RP-2005-0020/EB-2005-0378 and accepted at that time. Hydro One is using these same approaches in its current rate filing. Direct assignment of costs is used where possible, and a time study in other cases. Where an allocation factor is required, that factor was selected based on cost causation where possible, and otherwise on the basis of benefits received. The Rudden Study included a detailed breakdown of cost functions into activities at a detailed level.

Toronto Hydro submitted in its 2008 filing a third party review of internal reviews of its allocation approach. In its 2006 EDR application, Toronto Hydro had come under criticism by the OEB for not using staff time tracking more extensively as the basis for cost-based transfer pricing. It commissioned a study by R.J. Rudden Associates, which relied extensively on statements by management as to intended future work on transfer pricing. The Rudden Study anticipated that Toronto Hydro would do more work to develop fair market value pricing where appropriate, but the company witnesses stated that for purposes of their current application, cost-based pricing had been used in all cases. Toronto Hydro did not provide a disaggregated study by specific service, sufficient to demonstrate that each service is being priced at an appropriately determined fully allocated cost.

The OEB approved Toronto Hydro’s transfer pricing for purposes of 2008 and 2009, but stated in its Decision that it “expects” the deficiencies to be addressed. As a result, the Toronto Hydro case does not provide detail of specific, OEB-approved allocation methodologies, as applied to specific costs, that can be compared with

EWU's approaches. Of note in the Toronto Hydro decision however is the OEB's stated preference for time-based allocations, founded on tracking of time and effort of individuals⁷, a precedent that supports the methodologies used by EWU.

For purposes of this study, BDR compared the selected allocator for cost-based services of EWU with Hydro One, Hydro Ottawa and Brantford Power, based on the information contained in their rate filings and prepared Table 6. The table is at a summary level, and makes the assumption that services designated in a similar manner are in fact largely similar in terms of the activities involved and benefits received.

⁷ OEB Decision EB-2007-0680, p. 38.

TABLE 6: COMPARISON OF ALLOCATORS USED IN SELECTED DISTRIBUTORS

Function:	Hydro One	Brantford Power	Hydro Ottawa	EWU
Human Resources	FTEs	% of Total Assets	FTEs	FTEs
Internal Communications	FTEs			FTE
Labour Relations	FTEs			FTEs
Facilities	Direct where possible, otherwise sq ft	Square footage utilized	Square footage, at an estimated market rate	Square footage
Purchasing	Operations, Maintenance and Capital			Number of purchase requisitions and FTEs
Revenue analysis and reporting	Non energy revenue	% of time contracted		Time by activity
Financial Accounting	Non energy revenue/assets blend	% of time contracted		Time by activity
Taxation	Op Main Asset blend	% of Total Assets		Time by activity
IT - General			Employee time	Staff time to each of key systems
IT support workstations and telecom	Workstations	% of Total Assets		Number of Computers, printers and software
Regulatory	Direct			Direct
Legal	Revenue/Assets Blend	% of Total Assets		
Data lines	Workstations			
Telephones	Number of telephones	% of Total Assets		
Pension support financial	FTEs			FTEs

TABLE 6: COMPARISON OF ALLOCATORS USED IN SELECTED DISTRIBUTORS

Function:	Hydro One	Brantford Power	Hydro Ottawa	EWU
Board of Directors	Non-Energy Revenue/Assets Blend			Level of effort estimated by management
Corporate Secretary	Non-Energy Revenue/Assets Blend	% of time contracted		
President CEO	Direct	Estimate of time		Proportion of direct costs from all departments
CFO office	Detailed, use total financial functions	Estimate of time		Proportion of direct costs from all departments
General mail services		Estimate of time		Number of customers
Insurance and risk management		% of Total Assets		Proportion of direct costs from all departments
Customer services		Estimate of time		See cashiers and call centre
Inventory and Stores		% of Total Assets		Purchase requisitions and purchase orders
Administrative and corporate projects			Activity level	Proportion of direct costs from all departments
Metering and Data Services			At Market	Number of meters
Fleet services				Count of vehicles
Cashiers				Number of customers
Call center				Number of customers



ATTACHMENT 4 - J

Allocation of Costs to Affiliates, Update to 2008 Study

BDR

**34 King Street East,
Suite 1000, 10th Floor,
Toronto, Ontario
M5C 2X8
416-214-4848**

July 20, 2012

Andrew J. Sasso
Director, Regulatory Affairs
ENWIN Utilities Ltd.
787 Ouellette Avenue,
Windsor, Ontario
N9A 5T7

Dear Andrew:

Re: Allocation of Costs to Affiliates, Update to 2008 Study

1 Background and Mandate

In 2008, BDR NorthAmerica Inc. ("BDR") was retained by *ENWIN* Utilities Ltd. ("EWU") to "conduct a study and prepare a report related to affiliate costs and revenues and transfer pricing arrangements". At that time, all resources for the provision of shared corporate services resided within EWU. EWU provided those services for itself and its affiliates, and received revenues from affiliates in payment for those services. Services included management oversight, billing and certain other activities in support of EWU's affiliates: the Windsor Utilities Commission ("WUC"), the City of Windsor (the "City") and *ENWIN* Energy (EWE).

EWU has an existing methodology for transfer pricing of cost-based services, and uses an electronic spreadsheet developed for it by KPMG to allocate costs. BDR's review therefore entailed identifying each cost component, identifying the allocator used for it in the KPMG model, and assessing it for reasonableness. Reasonableness was judged by the experience of BDR in cost allocation, and compared with the methodologies used by a sample of other Ontario electricity distributors at that time.

Since that time, there have been changes in the services provided, and in the structure by which certain services are being provided. Specifically, an allocation of costs must now be made for CDM activities, the costs of which are recoverable from the Ontario Power Authority, and costs are also allocated to EWE for use of the CIS system and space in EWU's building by Enercare, an arms' length business, which operates a call centre from that location under an arrangement with EWE. EWU is also contemplating wider changes in the structure of provision of shared corporate services.

EWU has therefore requested BDR to undertake a review specific to the changes applicable to the 2012 budget year, and to provide an opinion as to the reasonableness of the transfer pricing approach being used or intended to be used by EWU. For the work, EWU provided BDR with a description of the key changes, through conference call discussions and email correspondence. EWU also provided its cost allocation model, populated with Budget 2012 data. BDR used the model to assist in identifying and understanding changes from the 2008 Review, but did not undertake a cell by cell check or otherwise verify either data or computations.

The review did not address allocations that are unchanged from the prior study, nor does it include any assessment of the more extensive changes contemplated for the future.

This brief report summarizes the results of BDR's review.

2 Assessment of Allocations that have Changed Since the 2008 Review

2.1 SAP

A new driver has been added to the model to allocate the capital costs of the SAP computer system installed by EWU in 2010. The costs include depreciation and return on investment (interest and shareholder's return on equity). The system is an Enterprise Resource Planning ("ERP") system for Asset Management, Human Resources, Supply Chain, as well as Finance. The system provides support to all employees including payroll, inventory, work orders, purchasing as well as financial information. In selecting an allocator for these costs, EWU staff considered the number of log on IDs, but concluded on investigation that this did not fairly represent activity on the system or the benefits realized. EWU is proposing to use FTEs as the allocator for these costs.

On review, BDR accepts EWU's view that the SAP system provides service to all employee functions, and therefore considers that an allocation based on FTEs is reasonable and consistent with accepted principles of cost allocation.

The related development costs have been allocated using the model's IT Development allocator. This allocator is based recorded time spent, and therefore reflects the level of effort of development resources.

On review, BDR considers this method to be reasonable and consistent with accepted principles of cost allocation.

2.2 CIS System

A new driver has been added to allocate the costs of a new CIS system. No costs are included for 2012, since the implementation is planned for 2013.

It was clarified to BDR by EWU management that the proposed approach is first to isolate the costs of functionality specific to the regulated LDC (for example, for the implementation of time of use rates and MDMR, FIT and CSA). These costs are then

directly assigned to EWU. The costs of LDC-specific functionality were specifically identified by the system implementer and external consultants working on the implementation. All remaining costs, which support the functionality necessary for both electricity water and sewer billing, are shared by EWU, WUC and the City in proportion to the number of bills for each type of service.

On review, BDR considers this method as reasonable and reflective of accepted principles of cost allocation.

2.3 Project Management Office

This is a new allocator. Individual staff members are now required to maintain a time log. In computing the overall allocator, each person's time allocations are weighted by the person's salary.

On review, BDR considers this method as reasonable and reflective of accepted principles of cost allocation.

2.4 Senior Management

EWU is proposing an allocation factor for each senior manager derived from the allocation of the costs of the function(s) reporting to that senior manager. This derived factor is being recommended, rather than the alternative of time records of the individuals. This approach assumes that on average over a period, the level of effort of management will be proportional to the functions being managed.

To obtain an overall allocator for senior management group, the best overall allocator for the managed function was selected for each manager individually, and multiplied by the salary and benefit cost of that senior manager as a weighting. The weighted factors were then summed to compute an overall senior management allocator.

While a timesheet system would have more precision when applied on an actual basis, the selected method has the advantage of producing a potentially more stable result year to year, is administratively simple, and would provide a reasonable basis for budgeting and forecast purposes.

On review, BDR considers this method as reasonable and reflective of accepted principles of cost allocation.

2.5 Board of Directors

On the last review, board costs were allocated based on an estimate of time spent. EWU is now proposing an allocation based on the aggregate allocation of operating costs, as a proxy for all the functions being overseen. This allocator is also being used for the costs of the executive team.

On review, BDR considers this method as reasonable and reflective of accepted principles of cost allocation.

2.6 Stores

In the prior review, stores costs were allocated based on number of purchase requisitions and purchase orders. EnWin is now proposing an allocation based on number of entries and withdrawals from the warehouse. For common purchases, FTEs are used as a second-level allocator, reflecting the view that FTEs are a proxy for utilization of items purchased and stored.

Stores costs are complex in terms of causation, and reflect such variables as size and weight of the items, number of different items, order quantity and number of items withdrawn from stores as a single transaction. It is understood that not all of these variables can reasonably be tracked and that even if they could, the weighting of them in development of an allocator would be judgmental.

Therefore on review, BDR considers this method as reasonable and reflective of accepted principles of cost allocation.

2.7 Director's Liability

EnWin is proposing an allocation based on the allocation of directors and commissioners.

BDR considers this method to be reasonable and reflective of accepted methods of cost allocation.

2.8 Property Liability

EnWin is proposing an allocation based on assessed value of the properties. ***This is consistent with BDR's prior recommendation.***

2.9 Meter Reading

At the time of the prior review, meter reading for both electricity and water meters was being carried out manually at the customer's premises. Since the same visit provided both an electricity meter read and a water meter read, BDR considered as reasonable a methodology that allocated meter reading costs between electricity meters and water meters based on the number of meters.

Since that time, EnWin has brought smart meters into service for its electricity customers, and the readings have been automated. Water meters continue to be read manually. The meter reading costs for electricity and water are therefore no longer shared, but result from separate processes and can be separately identified. The costs of automated electricity meter reading is therefore now directly assigned (100%) to

EnWin, including charges from Sensus for the base station service charges for the advanced metering regional collectors and the wide area network (WAN), and a per smart meter change for the monitoring services. Costs incurred for the manual reading of water meters are identified and allocated between WUC as the provider of water services and the City as the provider of sewer services.

Since both these services use the results of a single reading of a single meter for the billing, and each reading would result in both a water charge and a sewer charge to the customer it is reasonable that each of these services should participate equally in the associated costs. The costs of the water meters themselves are allocated between WUC and the City in the same manner.

On review, BDR considers that EnWin is applying accepted principles of cost allocation in directly assigning electricity and water meter reading costs, since this approach reflects the incurrence of the costs. BDR also considers that EnWin's approach of allocating the water meter portion of meter reading costs equally to the City and WUC is appropriate, and reflects accepted principles of cost allocation.

Yours truly,

A handwritten signature in black ink, reading "Paula Zarnett". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Paula Zarnett
Vice President



ATTACHMENT 4 - K

Shared Services and Corporate Allocation

Board Appendix 2-N

File Number: EB-2019-0032
 Exhibit: 18/04/2019
 Tab: SS
 Schedule:
 Page:
 Date: 18/04/2019

Appendix 2-N Shared Services and Corporate Cost Allocation ¹

Year: 2009

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
ENWIN Utilities Ltd.	Windsor Utilities Commission	Water production, transmission and distribution - shared services including management, administrative services, construction operations and maintenance services.	Fully allocated cost + ROA	9,178,458	8,170,248
ENWIN Utilities Ltd.	ENWIN Energy Ltd.	Street lighting, sentinel lighting services. Provided customer service offering to a third party.	Fully allocated cost + ROA	1,071,212	1,001,987
ENWIN Utilities Ltd.	Corporation of the City of Windsor	Waste Water customer service and billing services	Fully allocated cost + ROA	2,051,119	1,679,981
				12,300,789	10,852,216

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	\$
<i>eg: parent company</i>	<i>eg: regulated entity</i>				
Windsor Canada Utilities	ENWIN Utilities Ltd.	WCU Board of Director Costs	Fully allocated cost	95%	98,487

Note:

- 1 This appendix must be completed in relation to each service provided or received for the Historical (actuals), Bridge and Test years. The required information includes:

• **Type of Service:**

Services such as billing, accounting, payroll, etc. The applicant must identify any costs related to the Board of Directors of the parent company that are allocated to the applicant.

• **Pricing Methodology:**

Pricing Methodology includes approaches such as cost-base, market-base, tendering, etc. The applicant must provide evidence demonstrating the pricing methodology used. The applicant must also provide a description of why that pricing methodology was chosen, whether or not it is in conformity with ARC, and why it is appropriate.

• **% Allocation:**

The applicant must provide the percentage of the costs allocated to the entity for the service being offered. The Applicant must also provide a description of the allocator and why it is an appropriate allocator.



ATTACHMENT 4 - L

Water System Operating Agreement

THE WINDSOR UTILITIES COMMISSION

-and-

ENWIN UTILITIES LTD.

WATER SYSTEM OPERATING AGREEMENT

November 6, 2012

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WATER SYSTEM OPERATING AGREEMENT

THIS AGREEMENT is made as of November 6, 2012.

BETWEEN:

THE WINDSOR UTILITIES COMMISSION, a Commission organized under the laws of the Province of Ontario (hereinafter referred to as "**WUC**"),

AND

ENWIN UTILITIES LTD., a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as "**EnWin**"),

RECITALS:

1. WUC owns and operates the Business (as defined below) in the City of Windsor and EnWin is a licenced electricity distributor permitted to operate and manage the Business of WUC pursuant to Section 5(2) of Ontario Regulation 161/99 made under the *Ontario Energy Board Act*, as amended.
2. On February 17, 2003, the City Council of the City of Windsor adopted and gave a shareholder direction to Windsor Canada Utilities Ltd. ("**WCU**"), the wholly owned subsidiary of the City of Windsor and sole shareholder of EnWin, that established an objective for WCU, namely: "Optimization of community prosperity through delivery of utility services at competitive rates achieving maximum shareholder value through sustaining the utility businesses, enlightened dividend policies and retaining a viable municipal tax base through local business retention and new development."
3. The Parties have agreed to enter into this Agreement pursuant to which EnWin has agreed to provide or cause to be provided, from and after the Effective Date, services for WUC with respect to performance of the Business with respect to the Facilities, all upon the terms and conditions set forth herein (all services are as described in this Agreement for the purposes of carrying out the Business, including management, administrative services, construction operations and maintenance services and are hereinafter collectively referred to as the "**Services**").
4. WUC covenants to establish rates for water to be charged to water rate payers ("**Water Rates**") and pay for the Services in accordance with the terms and conditions set out herein.
5. Having regard to the constating, governing and authoritative legislation, regulations, codes, and by-laws applicable to WUC and EnWin, WUC and EnWin seek to restructure the operation, management and administration of a water utility which will pursue high quality service to customers, low rates for ratepayers, good value to the City of Windsor, and a positive workplace for employees.

NOW THEREFORE in consideration of the premises and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith, all capitalized terms shall have the meanings set forth below:

- 1.1.1 “**Additional Services**” has the meaning ascribed thereto in Section 4.3;
- 1.1.2 “**Affiliate**” for purposes of this Agreement two Persons are “Affiliates” if one of them Controls the other or they are both Controlled by the same Person, in either case whether directly or indirectly through a chain of Controlled intermediaries. Notwithstanding, the forgoing and for greater certainty, the Parties agree that WUC and EnWin are Affiliates for the purposes of this Agreement;
- 1.1.3 “**Agreement**” means this Water System Operating Agreement as it may be amended, modified or supplemented from time to time;
- 1.1.4 “**Applicable Law**” means any applicable law including any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, order, judgment, injunction, award, decree, code or resolution of a Governmental Authority, whether or not having the force of law, binding on the Parties, and includes all Environmental Laws and Regulations in effect from time to time;
- 1.1.5 “**Business**” means the business of: (i) developing, designing, financing, constructing, permitting, licensing, maintaining, owning, operating and managing the Facilities; (ii) producing, delivering and selling of water processed by and delivered through the Facilities; and (iii) all activities ancillary to the activities in the foregoing clauses (i) and (ii);
- 1.1.6 “**Business Day**” means a day other than Saturday, Sunday, a statutory holiday or any other day on which Canadian chartered banks are generally not open for business in the Province of Ontario;
- 1.1.7 “**Capital Expenditures**” means, with respect to any period, without duplication, all costs and expenses of a capital nature, which are incurred in respect of such period in accordance with generally accepted accounting principles;
- 1.1.8 “**Capital Expenditure Plan**” means the capital expenditure plan for the Business established in accordance with Section 4.5;
- 1.1.9 “**Change of Control**” means any change in the holding of securities of a Party whereby, immediately following such change:
 - (a) a person not affiliated with a Party prior to such change holds greater than 50% of the voting securities of a Party or is in a position to exercise control over such Party, or

- (b) a group of persons (none of whom are affiliated with a Party prior to such change) acting jointly and in concert hold greater than 50% of the voting securities of a Party or are in a position to exercise control over such Party,

whether such change in the holding of such securities occurs by way of a sale, transfer, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, redemption or otherwise;

- 1.1.10 **"Claim"** has the meaning ascribed thereto in Section 13.3.1;
- 1.1.11 **"Confidential Information"** has the meaning ascribed thereto in Section 16.2;
- 1.1.12 **"Control"** or **"Controlled"** means, with respect to two Persons, that Person ("A") directly controls Person ("B") where A has the power to directly determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B;
- 1.1.13 **"Dispute"** has the meaning ascribed thereto in Section 15.1;
- 1.1.14 **"Documents"** means, collectively, this Agreement, the Material Contracts and the Permits and any other agreements, certificates or instruments delivered pursuant to such documents;
- 1.1.15 **"Effective Date"** means the date [NTD: Insert date or event corresponding to financial close];
- 1.1.16 **"Employee Arrangement Agreement"** means the agreement dated as of the Effective Date between Parties that sets out the obligations of Parties in respect of the transfer of the employees of the business from WUC to EnWin;
- 1.1.17 **"Environmental Laws and Regulations"** means all applicable environmental or health and safety laws, statutes, regulations, by-laws, treaties, resolutions and ordinances of any Governmental Authority, including: (i) all regulations, resolutions, ordinances, decrees, guidelines, standards, policies and other similar documents and instruments of all courts and governmental authorities, bureaus and agencies, domestic and foreign, whether issued by environmental regulatory agencies or otherwise; and (ii) all laws, by-laws, regulations, resolutions, ordinances, guidelines, standards, policies and decrees relating to natural and human environmental matters (including air, land, surface water, ground water, treated water, drinking water and distributed water, and immovable and movable property), public or occupational health and safety, and the manufacture, importation, handling, transportation, storage, disposal and treatment of a Hazardous Substance;
- 1.1.18 **"EnWin"** has the meaning ascribed thereto in the preamble to this Agreement;
- 1.1.19 **"EnWin Event of Default"** means any of the events described in Section 10.3;

- 1.1.20 “**Event of Default**” means, with respect to WUC, a WUC Event of Default and, with respect to EnWin, an EnWin Event of Default;
- 1.1.21 “**Facilities**” means any and all water distribution and processing facilities and other facilities or assets (being either tangible, intangible, real or personal) from time to time owned by WUC, including those related to district energy;
- 1.1.22 “**Force Majeure**” means, for the purposes hereof, an event, condition or circumstance (and the effect thereof) which is not within the reasonable control of the Party and its Affiliates claiming Force Majeure and which, by the exercise of due diligence, the Party and its Affiliates claiming Force Majeure is unable to prevent or overcome, including events in the nature of acts of God, fire, explosion, civil disturbance, war, riot, insurrection, military or guerrilla action, terrorist activity, economic sanction, blockade or embargo, sabotage, flooding, earthquake, drought, strikes or labour disputes, events of force majeure claimed by suppliers or subcontractors, inability to obtain or maintain a Permit, and action taken or restraint imposed that is of general application by any Governmental Authority, except for any such action or restraint that constitutes an Imposition of Governmental Authority, (so long as the Party claiming Force Majeure has not applied for or assisted in the application for, and has opposed where and to the extent possible, such action or restraint by such Governmental Authority);
- 1.1.23 “**Governmental Authority**” means any court or governmental ministry, department, tribunal, commission, board, bureau, agency, or instrumentality of Canada, or of any province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing having or purporting to have jurisdiction over the Business or over any Party to this Agreement, including, for greater certainty, the Ontario Energy Board and its successors and any Person acting under the authority of a Governmental Authority. For greater certainty, for purposes of this Agreement, none of WCU, EnWin or WUC is a Governmental Authority;
- 1.1.24 “**Hazardous Substance**” means: (i) any petroleum or petroleum products, flammable materials, explosives, radioactive materials, friable asbestos, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls (PCBs) in regulated concentrations; (ii) any chemicals or other materials or substances which are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “contaminants,” “pollutants” or words of similar import under any Environmental Laws and Regulations; (iii) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated as such under any Environmental Laws and Regulations; and (iv) all other substances or wastes of any nature with respect to which liability or standards of conduct are imposed under any Environmental Laws and Regulations.
- 1.1.25 “**Implementation Rate Change**” has the meaning ascribed thereto in Section 7.1.5;

- 1.1.26 “**Imposition of Governmental Authority**” has the meaning ascribed thereto in Section 12.1.1;
- 1.1.27 “**Indemnified Party**” has the meaning ascribed thereto in Section 13.3.1;
- 1.1.28 “**Indemnifying Party**” has the meaning ascribed thereto in Section 13.3.1;
- 1.1.29 “**Insolvency Legislation**” means the *Bankruptcy and Insolvency Act* (Canada), the *Winding Up and Restructuring Act* (Canada) and the *Companies’ Creditors Arrangement Act* (Canada) and any other bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors rights and the bankruptcy, insolvency, moratorium, reorganization, creditor protection or similar laws of any other applicable jurisdiction, as they may be amended from time to time;
- 1.1.30 “**Insolvent**” means, in relation to any Person: (i) being insolvent or bankrupt or making a proposal or filing a notice of intent to do so, pursuant to or under any Insolvency Legislation (or any other Applicable Law); or (ii) having a trustee or receiver or manager appointed in respect of its assets, and, in respect of a petition into bankruptcy, any such appointment continues unstayed and in effect for a period of sixty (60) days;
- 1.1.31 “**Material Adverse Effect**” means any change (or changes taken together) in the affected Party that materially and adversely affects the ability of such Party to perform its obligations under this Agreement;
- 1.1.32 “**Material Change**” means a change to the forecasted Operating Expenses set out in an Operating Expenses Plan relative to the actual Operating Expenses incurred during the applicable calendar year or a change to forecasted Capital Expenditures set out in a Capital Expenditure Plan or relative to actual Capital Expenditures incurred in the applicable calendar year, where such change cannot be funded through revenues received from Water Rates implemented on the basis of such Operating Expenses Plan or Capital Expenditure Plan;
- 1.1.33 “**Material Change Notice**” has the meaning ascribed thereto in Section 4.4.5;
- 1.1.34 “**Material Contracts**” means all agreements, undertakings and other documents to which EnWin, or their permitted assigns or permitted delegates pursuant to the terms hereof, is now, or may become, a Party in relation to the Business, including the breach of which, or default under which, would have a material adverse effect on the Business;
- 1.1.35 “**Mediator**” has the meaning ascribed thereto in Section 15.1.2;
- 1.1.36 “**MFIPPA**” means the *Municipal Freedom of Information Act and Protection of Privacy Act* of Ontario, as amended from time to time;
- 1.1.37 “**Operating Accounts**” means the principal bank accounts of WUC for operational purposes;

- 1.1.38 **“Operating Expenses”** means, with respect to any period, without duplication, all costs and expenses of WUC, excluding Capital Expenditures, in connection with the Business and the Facilities, which are incurred by or on behalf of WUC, in respect of such period in accordance with generally accepted accounting principles;
- 1.1.39 **“Operating Expenses Plan”** means the operating plan for the Business established in accordance with Section 4.4;
- 1.1.40 **“Party”** or **“Parties”** means WUC and EnWin and all of their successors and assigns.
- 1.1.41 **“Permits”** means all consents, certificates, waivers, exemptions, rights, rights of way, entitlements, licenses, approvals, registrations, permits or other authorizations granted by any Governmental Authority or any other Person under any Applicable Law in respect of, or which are in any way material to, the Facilities or the Business;
- 1.1.42 **“Person”** means any natural person, corporation, division of a corporation, partnership, trust, joint venture (which includes a co-ownership), association, company, estate, unincorporated organization or Governmental Authority;
- 1.1.43 **“Personal Information”** has the meaning ascribed thereto in Section 16.3;
- 1.1.44 **“PIPEDA”** means the *Personal Information Protection and Electronic Documents Act* of Canada, as amended from time to time;
- 1.1.45 **“Plan Period”** has the meaning ascribed thereto in Section 4.6.5;
- 1.1.46 **“Plans”** means, collectively, the Operating Expenses Plan, the Capital Expenditure Plan and the Water System Financial Plan, each as in effect or amended from time to time;
- 1.1.47 **“Proposed OEP”** has the meaning ascribed thereto in Section 4.4.1;
- 1.1.48 **“Proposed CEP”** has the meaning ascribed thereto in Section 4.5.1;
- 1.1.49 **“Prudent Industry Practice”** means any of the practices, methods and acts engaged in or approved by a significant portion of the water management industry in Ontario during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, water quality, reliability, safety and expedition. Prudent Industry Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is intended to include prudent practices, methods, and acts generally accepted in Ontario;
- 1.1.50 **“Rate Model”** has the meaning ascribed thereto in Section 7.1.2;
- 1.1.51 **“Representative”** means a Party’s Affiliates, and a Party’s and its Affiliates’ officers, directors, employees, legal counsel, advisors, contractors, and consultants;

- 1.1.52 **"Revised Operating Expenses Plan"** has the meaning ascribed thereto in Section 4.4.5;
- 1.1.53 **"Revised Capital Expenditure Plan"** has the meaning ascribed thereto in Section 4.5.5;
- 1.1.54 **"Senior Leadership"** has the meaning ascribed thereto in Section 15.1.1;
- 1.1.55 **"Services"** has the meaning ascribed thereto in the recitals to this Agreement;
- 1.1.56 **"Successor WSFP"** has the meaning ascribed thereto in Section 4.6.5;
- 1.1.57 **"System Plan Expiry Date"** is the last date in the Plan Period;
- 1.1.58 **"Taxes"** means all taxes, rates, duties, charges, impositions, levies and assessments whatsoever which are levied, imposed or assessed against the Facilities or the revenues therefrom by any Governmental Authority, and including those levied, imposed or assessed thereon for education, schools, utilities and local improvements or in respect of any occupancy or use thereof, including goods and services tax. If the system of personal or real property taxation shall be altered or varied and any new tax shall be levied or imposed on EnWin or WUC in respect of all or any portion of the Business or Facilities or the revenues therefrom in substitution for or in addition to those presently levied or imposed, then any such new tax levy shall be deemed to be and shall be included in Taxes. For greater certainty, the term "Taxes" includes capital, income or any other taxes payable at any time by WUC;
- 1.1.59 **"Term"** means, in respect of this Agreement, the initial term from the Effective Date, until the fifth (5th) anniversary of such date, or the last day of any renewal terms, unless terminated earlier in accordance with the terms hereof;
- 1.1.60 **"Termination Assistance Services"** has the meaning ascribed thereto in Section 10.5;
- 1.1.61 **"Third Party Costs"** means charges and expenses, including Capital Expenditures and Operating Expenses, payable to Persons that: (i) are not Affiliates of EnWin; or (ii) are Affiliates of EnWin and in which case such charges and expenses do not exceed their fair market value on an arms-length basis of the goods or services provided;
- 1.1.62 **"Third Party Reviewer"** means any Person that is a suitably qualified professional engineer, lawyer, accountant or consultant appointed from time to time to perform the audits described in Section 8.3;
- 1.1.63 **"Water Rates"** has the meaning ascribed thereto in the recitals to this Agreement;
- 1.1.64 **"Water System Financial Plan"** means the financial plan prescribed by and filed pursuant to the *Safe Drinking Water Act, 2002* as detailed in O. Reg 453/07, as amended or replaced from time to time, and that shall be substantially comparable to the form attached as Exhibit A unless the applicable regulation stipulates otherwise;

1.1.65 “WCU” has the meaning ascribed thereto in the recitals to this Agreement;

1.1.66 “WUC” has the meaning ascribed thereto in the preamble to this Agreement; and

1.1.67 “WUC Event of Default” means any of the events described in Section 10.1.

1.2 Headings

The division of this Agreement into Articles, Sections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to “Articles” and “Sections” followed by a number or a letter are to Articles and Sections of this Agreement.

1.3 Interpretation

Words importing the singular shall include the plural and vice versa. Words importing gender shall include all genders. Where the word “including” or “includes” is used in this Agreement it means “including without limitation” or “includes without limitation”, respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under the Documents.

1.4 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Accounting Standards Board, or any successor authoritative body, applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the Parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

1.5 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted.

1.6 Non-Business Days

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment shall be made or such action shall be taken on or not later than the next succeeding Business Day.

1.7 Funds

All dollar amounts referred to in this Agreement are in lawful money of Canada.

ARTICLE 2 APPOINTMENT OF ENWIN

2.1 Appointment of EnWin

Subject to the provisions of this Agreement, WUC hereby engages EnWin, exclusively from the Effective Date to: (i) perform or cause to be performed the obligations and to provide or cause to be provided the Services hereunder, including those more fully described in Article 4; (ii) provide or cause to be provided services not currently required or contemplated by WUC in respect of the Business or the Facilities or described in Article 4 as the need for such services arise; and (iii) do such things and execute such agreements on behalf of WUC as are necessary or desirable in respect of the provision of such Services.

2.2 Acceptance of Appointment

EnWin hereby accepts the exclusive appointment provided for in Section 2.1 and agrees to act in such capacity and to provide or cause to be provided such Services upon the terms and conditions set forth in this Agreement. EnWin will ensure that its resources and services and those of its Affiliates, as applicable, will be made available to enable EnWin to fulfill its obligations under this Agreement.

2.3 Notification to Third Parties

WUC shall notify all other parties to the Documents of the appointment of EnWin under this Agreement and shall execute all directions and other instruments as may be necessary or desirable to document EnWin's authority in relation to the provision of the Services to WUC in respect of the Business.

ARTICLE 3 OBLIGATIONS AND COVENANTS OF WUC

3.1 Rights, Obligations and Covenants of WUC

WUC covenants and agrees with EnWin during the Term and in accordance with the terms and conditions of this Agreement as follows:

- 3.1.1 to make available and grant access, to EnWin and its representatives, to: (i) the Facilities; (ii) the books and records of WUC; and (iii) the consultant, counterparties and contractors of WUC, in each of the foregoing cases in order for EnWin to perform its obligations, covenants and responsibilities pursuant to the terms hereof;
- 3.1.2 to pay or provide any direction for payment to EnWin to enable it to pay, as the case may be, all Operating Expenses pursuant to Section 4.4, any remuneration payable to EnWin pursuant to Section 4.8 and any other expenses of WUC which are required to ensure the compliance of the Business with Applicable Law, Taxes and other government fees, utility charges, dues, rates and assessments of whatever nature or kind and to whomever assessed now or hereafter charged or payable with

respect to the Business, in each of the foregoing cases including any interest and penalties thereon when and as the same become due and payable;

- 3.1.3 not to hire, employ, engage or cause any other Person to provide services comparable in whole or in part to those provided or to be provided by EnWin hereunder without first obtaining the prior written consent of EnWin;
- 3.1.4 when requested by EnWin, to make decisions within a reasonable time with respect to material operational matters that require its approval and to provide instructions or advice to EnWin for such operations;
- 3.1.5 to consider in accordance with Section 4.4, the Operating Expenses Plan, and to comply with the Operating Expenses Plan and any amendments or modifications thereto once confirmed, and in particular, to make available to EnWin, as may be required, all necessary funds required to pay for Operating Expenses provided in the Operating Expenses Plan;
- 3.1.6 to consider in accordance with Section 4.5, the Capital Expenditure Plan, and to comply with the Capital Expenditure Plan and any amendments or modifications thereto once confirmed, and in particular, to make available to EnWin, as may be required, all necessary funds required to pay for Capital Expenditures provided in the Capital Expenditure Plan;
- 3.1.7 to approve Water Rates in accordance with the model and methodology, set out in Section 7.1;
- 3.1.8 to provide, or cause to be provided, all information as may be reasonably requested by EnWin in relation to the Business for the performance of the Services hereunder and to promptly notify EnWin of any material facts or information of which WUC is aware in relation to and which may affect the Business, or the performance of the obligations, covenants or responsibilities of EnWin pursuant to this Agreement, including any pending or threatened suits, actions, claims, proceedings or orders by or against WUC;
- 3.1.9 in accordance with the Employee Arrangement Agreement, to arrange for the transfer and to transfer to EnWin: (i) all non-unionized employees of the Business; and (ii) all unionized employees of the Business, on the Effective Date or a date thereafter to be determined in EnWin's sole discretion. The Parties Agree that each such transfer described above shall be completed in accordance with the Employee Arrangement Agreement;
- 3.1.10 in accordance with the Employee Arrangement Agreement, to compensate EnWin for all post-retirement obligations of the Business' employees either in a lump sum payment or pursuant to a payment schedule to be determined by EnWin acting reasonably;
- 3.1.11 to promptly notify EnWin if any Governmental Authority contacts WUC with respect to compliance with Applicable Law or Permits; and

- 3.1.12 to comply with all Applicable Laws and with the terms and conditions of this Agreement and not to provide instructions to EnWin: (i) inconsistent with this Agreement; (ii) in breach of Applicable Law or that would reasonably be expected to result in a breach of Applicable Law if implemented; or (iii) that would otherwise result in the provision of the Services or the operation of the Facilities or Business in a manner that is inconsistent with Prudent Industry Practice.

ARTICLE 4

OBLIGATIONS AND COVENANTS OF ENWIN

EnWin covenants and agrees with WUC during the Term and in accordance with the terms and conditions of this Agreement to provide, or to cause to be provided by its Affiliates or suitably qualified contractors, subcontractors or third parties, in accordance with Prudent Industry Practice, as applicable, the Services described in this Article 4.

4.1 Management Services

EnWin covenants and agrees with WUC as follows to directly or indirectly:

- 4.1.1 cause or supervise the carrying out of all day-to-day management, secretarial, accounting, administrative, liaison, representative, regulatory and reporting functions and obligations of WUC in relation to the Business and to comply in every material respect with all Applicable Laws;
- 4.1.2 cause or supervise the establishment and maintenance of books and records for the Business consistent with industry standards and in compliance with generally accepted accounting principles;
- 4.1.3 prepare and implement the Operating Expenses Plan and any applicable amendment to the Operating Expenses Plan, in accordance with Section 4.4;
- 4.1.4 prepare and implement the Capital Expenditure Plan, and any applicable amendment to the Capital Expenditure Plan in accordance with Section 4.5;
- 4.1.5 supervise and provide direction, on behalf of WUC, under the Documents and implement any amendments, modifications, terminations, replacements or extensions to the Documents;
- 4.1.6 engage, supervise and direct its Affiliates and any contractors, subcontractors and other third parties necessary or desirable for the provision of the Services hereunder;
- 4.1.7 appoint accountants, legal counsel and other accounting, financial or legal advisors or aids and technical, commercial, marketing or other advisors or aids;
- 4.1.8 establish and maintain appropriate policies and procedures to enable compliance by EnWin and WUC, as applicable, in all material respects with:
 - (a) the requirements of Applicable Law affecting the Facilities and the Business;

- (b) the Operating Expenses Plan;
 - (c) the Capital Expenditure Plan;
 - (d) the Water System Financial Plan;
 - (e) each of the Permits, and the obtaining and maintenance thereof; and
 - (f) Prudent Industry Practice;
- 4.1.9 to perform on behalf of WUC any contractual obligations by which WUC is bound including Material Contracts;
- 4.1.10 attend to all matters necessary for any reorganization, bankruptcy or insolvency proceedings, dissolution or winding up of WUC, subject to approval by WUC;
- 4.1.11 if necessary, supervise the timely calculation and payment of Taxes relating to the Facilities and Business payable, and the filing of all tax returns due, by WUC;
- 4.1.12 cause the annual consolidated financial statements of WUC to be: (i) prepared in accordance with generally accepted accounting principles; (ii) audited to the extent required by Applicable Law or required by WUC; and (iii) submitted to WUC for its approval;
- 4.1.13 manage any legal or regulatory action or dispute against or involving WUC and commence, in the name of WUC, as the case may be, any litigation or dispute resolution process in relation to the Business;
- 4.1.14 obtain insurance of the Business and the Facilities, together with other insurances against other risks;
- 4.1.15 be the primary contact with all third parties, including other stakeholders and Governmental Authorities, with respect to the Business and any other matters reasonably related thereto;
- 4.1.16 keep the Facilities free and clear of all liens and encumbrances arising out of or in connection with the acts, omissions or indebtedness of EnWin or of its Affiliates, employees, agents or subcontractors that are unrelated to the Business;
- 4.1.17 identify, evaluate and recommend the sale of all or any significant part of the Business or the Facilities from time to time and, if WUC approves any sale, negotiate and manage the execution of such sale on behalf of WUC;
- 4.1.18 subject to WUC's financing requirements and the terms and conditions in place as between WUC and its debt holders, including EnWin or any of its Affiliates, recommend to WUC and, if approved by WUC, use commercially reasonable efforts to procure the raising of funds whether by way of debt, equity or otherwise, including the negotiation and execution of such raising of funds, but without any obligation to provide such funds;

- 4.1.19 provide to WUC periodic reports, in accordance with this Agreement, and participate in meetings with WUC upon request for purposes of reporting on EnWin's performance under this agreement and to promptly notify WUC of any material facts or information of which EnWin is aware in relation to and which may affect the Business, or the performance of the obligations, covenants or responsibilities of WUC pursuant to this Agreement, including any pending or threatened suits, actions, claims, proceedings or orders by or against EnWin or the Business before any Governmental Authority, arbitrator, court or administrative tribunal; and
- 4.1.20 generally provide or cause to be provided and perform all other services or duties reasonably related to the day-to-day management of WUC and the Business and contemplated by the Services hereunder.

4.2 Construction Operations and Maintenance Services

EnWin covenants and agrees with WUC as follows to directly or indirectly:

- 4.2.1 operate and maintain the Facilities and administer the Business in a competent, diligent and efficient manner, and arrange for all Services required in order to operate and maintain the Facilities and Business, in every material respect in accordance with Applicable Law, Prudent Industry Practice, the Documents and the Plans as of the Effective Date;
- 4.2.2 maintain, in full force and effect, or obtain, as may be required, all Permits in respect of the Business and any Permit required by EnWin to provide the Services;
- 4.2.3 implement, or cause to be implemented, Capital Expenditures in accordance with the Capital Expenditure Plan and Operating Expenses in accordance with the Operating Expenses Plan;
- 4.2.4 prepare, or cause to be prepared, conceptual plans, studies and designs, (including outlines of costs and scope of work) in respect of all Capital Expenditures or other modifications or enhancements to the Facilities;
- 4.2.5 maintain and be familiar with, or modify and amend following any Capital Expenditure, as the case may be, the as-built drawings of the Facilities;
- 4.2.6 in emergency situations or during the occurrence of an event of Force Majeure, take all such actions as a reasonably prudent owner of a facility similar to the Facilities would take in similar circumstances to safeguard life or property or to prevent or minimize an interruption in the production of water;
- 4.2.7 take reasonable precautions for the safety of persons and property, including posting appropriate hazard warnings on the Facilities, initiating safety precautions and programs and enforcing on-site control of safety for all persons who provide Services at or visit the Facilities;
- 4.2.8 prepare, modify and update, as required by Applicable Law, the manuals which set out the policies and procedures for operating, maintaining and managing the

Facilities; and setting forth procedures for establishing a quality assurance program, safety and environmental procedures;

- 4.2.9 use reasonable care necessary to keep the Facilities clean, orderly and free from debris, rubbish or waste to the extent consistent with the operation and maintenance of the Facilities;
- 4.2.10 use reasonable care not to generate, store, transport, accumulate, dispose, discharge or release any Hazardous Substance on, in or from any property in connection with the Facilities, except in compliance in all material respects with all applicable Environmental Laws and Regulations;
- 4.2.11 use reasonable efforts to secure and maintain from vendors, suppliers and subcontractors indemnities, warranties and guarantees as may be commercially available in accordance with Prudent Industry Practice regarding supplies, equipment and services purchased for the Facilities, all of which shall be assigned to WUC, and assist WUC in preserving and enforcing such indemnities, warranties or guarantees;
- 4.2.12 notify WUC of any material defects or deficiencies in the Facilities discovered by EnWin and assist in making any claim under warranties relating to the Facilities;
- 4.2.13 maintain a maintenance and materials management system for planning, work scheduling, spare parts inventory and purchasing;
- 4.2.14 maintain an inventory control system to identify, catalogue and disburse spare parts for the maintenance of the Facilities and procure spare parts and refurbish, where practical or economical, spare parts to allow their reuse;
- 4.2.15 in accordance with the Employee Arrangement Agreement, complete the transfer from WUC of (i) all non-unionized employees (ii) and all unionized employees of the Business on the Effective Date or a date thereafter to be determined by EnWin acting reasonably;
- 4.2.16 in accordance with the Employee Arrangement Agreement, to provide WUC with a payment schedule detailing the manner with which it shall pay EnWin for all post-retirement obligations of the Business' employees and make payment to the Business' employees in accordance with the Employment Arrangement Agreement;
- 4.2.17 upon completion of the transfer of all of the non-unionized and unionized employees of the Business to EnWin from WUC in accordance with the Employee Arrangement Agreement, make available, together with any existing employees, such employees as are necessary to perform the Services;
- 4.2.18 communicate with local stakeholders, Governmental Authorities and other Persons interested in the operation of or affected by the Business;
- 4.2.19 administer all Documents to which WUC is a party or by which it is bound relating to the operations and maintenance of the Facilities, including communications with third parties in connection therewith; and

- 4.2.20 perform all other services that are reasonably necessary or appropriate in connection with the operation and maintenance of the Facilities.

4.3 Additional Services

Provided that EnWin or its Affiliates have suitably qualified personnel to provide such Services, EnWin agrees to provide or cause to be provided all such other services to WUC in respect of the Business or the Facilities not currently described in this Article 4 and as may from time to time be agreed by the Parties (the “**Additional Services**”). The Parties agree to negotiate in good faith the scope of any and all Additional Services and the remuneration to be paid to EnWin in respect thereof; All such Additional Services shall be provided in accordance with Prudent Industry Practice, Permits and Applicable Law.

4.4 Operating Expenses Plan

- 4.4.1 EnWin shall prepare a proposed Operating Expenses Plan (the “**Proposed OEP**”) for each calendar year with respect to the Business. It shall include an annual budget that forecasts and sets out Operating Expenses for such calendar year, together with a proposed schedule of expenditures, required in order to operate and maintain the Business and the Facilities pursuant to the terms of this Agreement during the applicable calendar year. The Proposed OEP shall encompass multiple consecutive calendar years, the number of which shall be determined by EnWin in its sole discretion, but which shall in any event be no fewer than two (2) consecutive calendar years. As a transitional measure, for the calendar year commencing January 1, 2013, EnWin shall adopt the current Water System Financial Plan as the Proposed OEP.
- 4.4.2 For the period commencing January 1, 2014, EnWin shall submit to the Chair of WUC a Proposed OEP by November 1, 2013. Subsequently, any Proposed OEP shall be submitted to the Chair of WUC no later than sixty (60) days prior to the end of period for the Operating Expenses Plan in effect from time-to-time. WUC shall review a Proposed OEP on the basis of whether EnWin, upon executing the Proposed OEP, will be compliant with the terms and conditions of this Agreement and WUC will be compliant with the then current Water System Financial Plan, all Applicable Laws, Permits and Material Contracts. WUC shall provide confirmation in respect of the foregoing no more than thirty (30) days following the receipt of the Proposed OEP from EnWin. Such confirmation shall not be unreasonably withheld.
- 4.4.3 If WUC determines that parts of the Proposed OEP, if performed as planned, would not result in: (i) EnWin being compliant with this Agreement; or (ii) in WUC being compliant with the then current Water System Financial Plan, Applicable Laws, Permits and Material Contracts; then WUC may propose in writing modifications to the Proposed OEP. Any suggested modifications to the Proposed OEP proposed by WUC must be in accordance with the then current Water System Financial Plan, Prudent Industry Practice, Applicable Laws, Permits and Material Contracts. No more than (30) days following the receipt of the Proposed OEP from EnWin, WUC shall specify those parts of the Proposed OEP that it asserts require modification. To the extent EnWin disagrees that a modification is required to the Proposed OEP in order for EnWin to comply with the terms and conditions of this Agreement or for WUC to be compliant with Applicable Laws, Permits and Material Contracts, then

EnWin and WUC shall follow the dispute resolution mechanism in Section 15.1. During the term of the Dispute, EnWin shall proceed, to the extent practicable, with those parts of the Proposed OEP that are not the subject of Dispute and those parts shall be deemed to be confirmed and form part of the Operating Expenses Plan.

- 4.4.4 Upon receipt of confirmation from WUC, the Proposed OEP shall be adopted as the Operating Expenses Plan. If after thirty (30) days following the receipt of the Proposed OEP from EnWin, (i) WUC has not confirmed the Proposed OEP for such calendar year, or (ii) WUC has not suggested modifications or confirmed acceptance of any parts of the Proposed OEP, then WUC shall be deemed to have confirmed the Proposed OEP in its entirety. In this circumstance, EnWin shall adopt the Proposed OEP as the Operating Expenses Plan and WUC shall provide all necessary funds to EnWin for such reasonable expenditures to implement the Operating Expenses Plan, including Third Party Costs. The Operating Expenses Plan shall remain effective until replaced by a new or revised plan.
- 4.4.5 In the event that EnWin identifies a Material Change to the Operating Expenses that will require an amendment to the Operating Expenses Plan in order for EnWin to comply with the Operating Expense Plan, EnWin shall provide WUC with written notice (a "**Material Change Notice**") that describes the material changes to the Operating Expenses and attaches a revised Operating Expenses Plan (the "**Revised Operating Expenses Plan**"). Section 4.4.3 of this agreement shall apply to the Revised Operating Expenses Plan. In applying and interpreting Section 4.4.3 in this regard "Revised Operating Expenses Plan" shall be substituted for "Proposed OEP".
- 4.4.6 If after thirty (30) days following the receipt of the Material Change Notice from EnWin, (i) WUC has not confirmed the Revised Operating Expenses Plan attached to the Material Change Notice, or (ii) WUC has not suggested modifications or confirmed acceptance of any parts of the Revised Operating Expenses Plan, then WUC shall be deemed to have confirmed the Revised Operating Expenses Plan and WUC shall provide all necessary funds to EnWin for such reasonable expenditures to implement the Revised Operating Expenses Plan, including Third Party Costs.

4.5 Capital Expenditure Plans

- 4.5.1 EnWin shall prepare a proposed Capital Expenditure Plan (the "**Proposed CEP**") for each calendar year with respect to the Business. It shall include an annual budget that forecasts and sets out Capital Expenditures for such calendar year, together with a proposed schedule of expenditures required in order to operate and maintain the Business and the Facilities pursuant to the terms of this Agreement during the applicable calendar year. The Proposed CEP shall encompass multiple consecutive calendar years, the number of which shall be determined by EnWin in its sole discretion, but which shall in any event be no fewer than two (2) consecutive calendar years. As a transitional measure, for the calendar year commencing January 1, 2013, EnWin shall adopt the current Water System Financial Plan as the Proposed CEP.
- 4.5.2 For the period commencing January 1, 2014, EnWin shall submit to the Chair of WUC a Proposed CEP by November 1, 2013. Subsequently, any Proposed CEP shall be submitted to the Chair of WUC no later than sixty (60) days prior to the end

of period for the Capital Expenditure Plan in effect from time-to-time. WUC shall review a Proposed CEP on the basis of whether EnWin, upon executing the Proposed CEP, will be compliant with the terms and conditions of this Agreement and WUC will be compliant with the then current Water System Financial Plan, all Applicable Laws, Permits and Material Contracts. WUC shall provide confirmation in respect of the foregoing not more than thirty (30) days following the receipt of the Proposed CEP from EnWin. Such confirmation shall not be unreasonably withheld.

- 4.5.3 If WUC determines that parts of the Proposed CEP, if performed as planned, would not result in: (i) EnWin being compliant with this Agreement; or (ii) in WUC being compliant with the then current Water System Financial Plan, Applicable Laws, Permits and Material Contracts; then WUC may propose in writing modifications to the Proposed CEP. Any suggested modifications to the Proposed CEP proposed by WUC must be in accordance with the then current Water System Financial Plan, Prudent Industry Practice, Applicable Laws, Permits and Material Contracts. Not more than thirty (30) days following the receipt of the Proposed CEP from EnWin, WUC shall specify those parts of the Proposed CEP that it asserts require modification. To the extent EnWin disagrees that a modification is required to the Proposed CEP in order for EnWin to comply with the terms and conditions of this Agreement or for WUC to be compliant with Applicable Laws, Permits and Material Contracts, then EnWin and WUC shall follow the dispute resolution mechanism in Section 15.1. During the term of the Dispute, EnWin shall proceed, to the extent practicable, with those parts of the Proposed CEP that are not the subject of Dispute and those parts shall be deemed to be confirmed and form part of the Capital Expenditure Plan.
- 4.5.4 Upon receipt of approval from WUC, the Proposed CEP shall be adopted as the Capital Expenditure Plan. If after thirty (30) days following the receipt of the Proposed CEP from EnWin, (i) WUC has not confirmed the Proposed CEP, or (ii) WUC has not suggested modifications to or confirmed acceptance of any parts of the Proposed CEP, then WUC shall be deemed to have confirmed the Proposed CEP in its entirety. In this circumstance, EnWin shall adopt the Proposed CEP as the Capital Expenditure Plan and WUC shall provide all necessary funds to EnWin for such reasonable expenditures to implement the Capital Expenditure Plan, including Third Party Costs. The Capital Expenditure Plan shall remain effective until replaced by a new or revised plan.
- 4.5.5 In the event that EnWin identifies a Material Change to the Capital Expenditures that will require an amendment to the Capital Expenditure Plan in order for EnWin to comply with the Capital Expenditure Plan, EnWin shall provide WUC with a Material Change Notice that describes the material changes to the Capital Expenditures and attaches a revised Capital Expenditure Plan (the "**Revised Capital Expenditure Plan**"). Section 4.5.3 of this Agreement shall apply to the Revised Capital Expenditure Plan. In applying and interpretation Section 4.5.3 in this regard "Revised Capital Expenditure Plan" shall be substituted for "Proposed CEP".
- 4.5.6 If after thirty (30) days following the receipt of the Material Change Notice from EnWin, (i) WUC has not confirmed the Revised Capital Expenditure Plan attached to the Material Change Notice, (ii) WUC has not suggested modifications to or confirmed acceptance of any parts of the Revised Capital Expenditure Plan, then

WUC shall be deemed to have confirmed the Revised Capital Expenditure Plan and WUC shall provide all necessary funds to EnWin for such reasonable expenditures to implement the Revised Capital Expenditure Plan, including Third Party Costs.

4.6 Water System Financial Plans

- 4.6.1 As of the Effective Date, WUC and EnWin shall adopt the current Water System Financial Plan for the period remaining in respect of the Water System Financial Plan until the System Plan Expiry Date.
- 4.6.2 EnWin shall achieve the objectives of the Water System Financial Plan over the Plan Period and WUC acknowledges that EnWin may deviate from the planned Operating Expenses and Capital Expenditures to the extent: (i) the Water System Financial Plan remains achievable within the Plan Period; (ii) EnWin remains compliant with the terms and conditions of this Agreement; and (iii) WUC remains compliant with the Applicable Laws.
- 4.6.3 EnWin may, in its sole discretion, submit to the Chair of WUC an update to the Water System Financial Plan from time to time. In accordance with the processes and time periods set out in Section 4.6.7 and Section 4.6.8, WUC shall review any update that is submitted on the basis of whether: (i) EnWin is compliant with the terms and conditions of this Agreement, in particular, whether the Water System Financial Plan remains achievable; and (ii) whether WUC will be compliant with all Applicable Laws, Permits and Material Contracts.
- 4.6.4 Notwithstanding Section 4.6.3 as a transition measure EnWin may, in its sole discretion, submit to the Chair of WUC updates to the current Water System Financial Plan during the period between the Effective Date and November 1, 2013 and such updates shall be reviewed by WUC in accordance with Section 4.6.3.
- 4.6.5 To the extent practicable prior to the System Plan Expiry Date, EnWin shall prepare a successor Water System Financial Plan (the “**Successor WSFP**”) that shall extend over a six (6) calendar year time period or such time period required by Applicable Law (the “**Plan Period**”). The Successor WSFP shall set out the plan, schedule and budget for Operating Expenses and Capital Expenditures for the Facilities for each year of the Plan Period. The Successor WSFP shall also set out the pro forma financial statements, forecast operating budget and forecast Water Rates for the Plan Period, as well as any other requirements of the Applicable Law.
- 4.6.6 At least one hundred and twenty (120) days prior to the expiry of the System Plan Expiry Date, EnWin shall submit to the Chair of WUC the Successor WSFP for the Plan Period. WUC shall review the Successor WSFP on the basis of whether EnWin, upon proceeding with the Successor WSFP, will be compliant with the terms and conditions of this Agreement and WUC will be compliant with all Applicable Laws, Permits and Material Contracts. WUC shall approve the Successor WSFP at least thirty (30) days after the receipt of the Successor WSFP. Such approval shall not be unreasonably withheld.
- 4.6.7 If WUC determines that the Successor WSFP, if performed as planned, would not result in EnWin being compliant with this Agreement or in WUC being compliant

with Applicable Laws, Permits and Material Contracts, then WUC may propose, in writing, modifications to the Successor WSFP. Any suggested modifications to the Successor WSFP proposed by WUC must be in accordance with Prudent Industry Practice, Applicable Laws, Permits and Material Contracts and not impair EnWin's ability to complete the Successor WSFP or render the Successor WSFP unachievable. Within thirty (30) days following the receipt of the Successor WSFP from EnWin, WUC shall confirm those parts of the updated Successor WSFP that it asserts do not require modification. To the extent EnWin disagrees that a modification is required to the Successor WSFP in order for EnWin to comply with the terms and conditions of this Agreement or for WUC to be compliant with Applicable Laws, Permits and Material Contracts, then EnWin and WUC shall follow the Dispute resolution mechanism in Section 15.1. During the term of the Dispute, EnWin shall proceed, to the extent practicable, with those parts of the Successor WSFP that are not the subject of Dispute;

- 4.6.8 Upon receipt of confirmation from WUC, the Successor WSFP shall be adopted as the Water System Financial Plan. If after thirty (30) days following the receipt the Successor WSFP or an update to the Water System Financial Plan from EnWin, WUC has not confirmed the sufficiency of the Successor WSFP or proposed modifications to the updated Water System Financial Plan for such calendar year, WUC shall be deemed to have approved the updated Water System Financial Plan and WUC shall provide all necessary funds to EnWin for such reasonable expenditures to implement the Water System Financial Plan, including Third Party Costs.

4.7 Personnel

- 4.7.1 EnWin is responsible for hiring all labour, administrative, professional and supervisory personnel required to perform and provide the Services in accordance with the Agreement. EnWin will extend offers of employment to the non-union employees of WUC in accordance with EnWin's normal employment policies and the Employee Arrangement Agreement. The Parties acknowledge that EnWin will be, under Applicable Law, a successor employer of the WUC employees who accept EnWin's offer of employment. WUC will be liable for payment of all legal obligations relating to the termination of employment of any WUC employees who do not accept an offer of employment from EnWin. WUC's liability for payment of legal obligations relating to the termination of employment of any WUC employees in accordance with the foregoing terms of this section will extend to all amounts required to be paid either by Applicable Law or by contract, including payment in lieu of notice, termination pay, severance pay, vacation pay, legal costs, costs of defence or other proceedings and all other outstanding amounts relating to any termination of employment. WUC will bear and discharge any and all liability for wages and other employee benefits or claims, including vacation pay, in respect of all of its employees until and unless those employees commence employment with EnWin.
- 4.7.2 All WUC employees hired by EnWin shall be employees of EnWin not of WUC. As between EnWin and WUC, EnWin shall be solely responsible for the determination and payment of wages and benefits and other terms and conditions of employment of such former WUC employees and EnWin shall comply with the

terms and conditions of all applicable agreements with any labour organization representing the former WUC employees concerning wages, benefits and terms and conditions of employment from and after the Effective Date.

- 4.7.3 Immediately prior to the Effective Date, WUC shall rescind or revoke the appointment of any officers of WUC who are either a WUC or EnWin employee. WUC agrees not to appoint any officers on or after the Effective Date.

4.8 Remuneration of EnWin

- 4.8.1 WUC hereby covenants and agrees to pay to EnWin all Operating Expenses and Capital Expenditures on a fully allocated cost basis, inclusive of EnWin's cost of capital in accordance with accepted regulatory practice, and as invoiced by EnWin in a manner that shows in reasonable detail the basis for the amount owing under each invoice.
- 4.8.2 If any payment payable to EnWin hereunder is not received by EnWin within thirty (30) days after its due date (both before and after judgment), interest at a rate per annum equal to the late payment interest rate on EnWin's tariff of rates and charges approved by the Ontario Energy Board will accrue from the due date of such payment until such payment is made. A Dispute as to the payment of an invoice or of any amount pursuant to the terms of this Agreement will not allow a Party to delay payment of the disputed invoice or amount and the Parties agree to submit the resolution of all such Disputes in accordance with Section 15.1, if not otherwise resolved within five (5) days. EnWin shall have no liability as a result of this Agreement to make or arrange for payments of any amount on behalf of WUC from EnWin's own funds.

4.9 Use of WUC's Funds

The Operating Accounts shall be under the sole ownership of WUC utilizing signing officers selected by EnWin in accordance with sound management and accounting practices and approved by WUC, from time to time. If EnWin receives any payments of funds on behalf of WUC, it will hold such amounts in trust and deposit such amounts in the Operating Accounts. The funds in the Operating Accounts shall be used to pay the following, listed on a priority basis: (i) any debt service and statutory obligations of WUC; (ii) Operating Expenses as they become due in accordance with the Operating Expenses Plan and to EnWin under this Agreement; (iii) Capital Expenditures as they become due in accordance with the Capital Expenditure Plan and to EnWin under this Agreement; and (iii) all other fees and indemnities payable by WUC to any Person.

4.10 Third Party Costs

WUC shall be responsible for payment of all Third Party Costs. EnWin shall not incur on behalf of WUC any Third Party Costs other than those that are directly or indirectly reasonably related to the provision of the Services. EnWin has the right to determine, in its sole discretion, whether it shall: (i) make payments for Third Party Costs on behalf of WUC; or (ii) direct WUC to pay said Third Party Costs directly. If EnWin makes any payment on behalf of WUC or any other charge or expense related to the Services from its own funds, such payment shall be reimbursed to EnWin. EnWin shall provide to WUC an invoice for the Third Party Costs and other charges and expenses payable by WUC to EnWin as

a reimbursement of such amounts duly incurred on behalf of WUC. Payment shall be due upon presentation of the invoice.

ARTICLE 5 POWER AND AUTHORITY

5.1 Powers and Authority of EnWin

EnWin shall have, during the Term and subject to the provisions of this Agreement, all the powers and authority required to provide the Services provided or to be provided by EnWin to WUC. On behalf of WUC, EnWin shall have full right, power and authority to execute, deliver and enter into, or cause to be executed, delivered or entered into, amendments to all contracts, leases, licenses, and other documents and agreements (including the Material Contracts), to make or cause to be made applications and filings with Governmental Authorities and to take such other actions as EnWin considers appropriate in its sole discretion in connection with the Business and Services in the name of and on behalf of WUC.

5.2 Restrictions on EnWin's Powers and Authority

In the exercise of its powers and authority and in the performance of its obligations, covenants and responsibilities hereunder, without first obtaining the written approval of WUC, EnWin shall not nor shall it cause to be done the following:

- 5.2.1 Disposition of Assets or Equipment. Except as otherwise provided in any confirmed Operating Expenses Plan or Capital Expenditure Plan, sell or otherwise dispose of any assets or equipment which are a material part of the Business or are material to the operation or maintenance of the Facilities;
- 5.2.2 Plans. Amend, modify, or deviate from the provisions of any of the Plans, except in accordance with this Agreement;
- 5.2.3 Expenses. Invoice or receive reimbursements from WUC other than for amounts to be reimbursed by WUC to EnWin as Third Party Costs, Operating Expenses, Capital Expenditures or as otherwise authorized pursuant to the terms of this Agreement;
- 5.2.4 Limit on Expenditures. Undertake a material expenditure: (i) outside EnWin's scope of responsibilities; or (ii) which is not in accordance with the provisions of any of the Plans;
- 5.2.5 Amend Material Contracts. Materially amend or terminate any Material Contract, including this Agreement, on behalf of WUC if such amendment or termination would have a material negative impact on the Business or WUC;
- 5.2.6 Pledges. Except in the ordinary course of business, pledge the credit of WUC or encumber the Facilities or the revenues of the Business in any way in respect of any agreements entered into between WUC and any third party or provide financial assistance to any third party;
- 5.2.7 Violations. Knowingly violate any Applicable Law with respect to the Facilities or the Business provided hereunder, or knowingly violate any material Permits;

- 5.2.8 Representations and Warranties. Except in the ordinary course of business, make any representation or warranty relating to WUC;
- 5.2.9 Settlement of Claims. Settle, compromise (including agreeing to any penalty for any violation of any Applicable Law or Permit), assign, pledge, transfer, release or consent to the compromise, assignment, pledge, transfer or release of, any claim (unless such claim relates to an insurable event), suit, debt, demand or judgment against or due by WUC or submit any such claim, dispute or controversy to arbitration or judicial process, or stipulate in respect thereof to a judgment, or consent to do the same without the express prior written consent of WUC;
- 5.2.10 Scope of Authority. Engage in any transaction, including in respect of any party related to EnWin, on behalf of WUC not permitted under this Agreement;
- 5.2.11 Commingling of Funds. Commingle its funds with the funds of WUC;
- 5.2.12 Dissolution and Liquidation. Initiate or undertake any steps to dissolve or liquidate the Business;
- 5.2.13 Change of Business. Alter or change the nature of the Business; or
- 5.2.14 Auditors. Appoint the auditors of WUC.

5.3 Execution of Documents

EnWin may execute or cause to be executed any document required to be executed pursuant to the terms hereof for the provision of the Services on behalf of WUC as follows:

“EnWin Utilities Ltd. as agent for Windsor Utilities Commission”

Per: _____
Authorized Signatory

ARTICLE 6 TERM AND ADDITIONAL SERVICES

6.1 Term of Agreement

This Agreement shall become effective on the Effective Date and shall continue in full force and effect throughout the Term and may only be terminated earlier in the circumstances described in Article 10.

6.2 Renewal

Provided that no EnWin Event of Default has occurred and is continuing at such time, this Agreement shall be automatically renewed on the same terms and conditions for successive periods of five (5) years unless EnWin provides to WUC or WUC provides to EnWin written notice to the contrary no later than one hundred and eighty (180) days prior to the end of the expiry of the applicable five (5) year initial Term or the end of the five (5) year renewal period then in effect. A written notice of non-renewal shall be subject to Section 10.5 of this Agreement.

6.3 Survival

Any obligation of the Parties pursuant to the terms hereof which accrued prior to the termination of this Agreement and was intended to continue after the termination of this Agreement shall survive the termination of this Agreement.

ARTICLE 7 RATE SETTING

7.1 Rate Setting

- 7.1.1 For purposes of recovering and funding Operating Expenses, Capital Expenditures, accumulation of reserves for capital and borrowing commitments and taking into account the Operating Expenses Plan, the Capital Expenditure Plan, any amendment or revision to the aforesaid plans under Section 4.4.5 or Section 4.5.5 and its debt obligations, WUC shall fix Water Rates. In setting Water Rates, WUC shall ensure compliance with this Agreement, Prudent Industry Practice and all Applicable Laws. The Water Rates shall encompass multiple consecutive calendar years that correspond with any applicable confirmed Operating Expenses Plan or Capital Expenditure Plan.
- 7.1.2 The Water Rate setting methodology shall be based on accepted rate setting principles for public utilities as reflected in the requirements of the Ontario Energy Board. This methodology shall be realized through the use of a rate model ("**Rate Model**"). The Rate Model may vary from Ontario Energy Board rate models to the extent it is reasonable to vary in order to reflect the delivery of water services and the recovery of Water Rates.
- 7.1.3 In calculating the proposed Water Rates, EnWin shall initially utilize a Rate Model prepared by the consulting firm Elenchus with principal offices located at 34 King St. East in Toronto, Ontario. From time-to-time, EnWin may at its sole discretion utilize a Rate Model prepared by EnWin or by a vendor or other source other than Elenchus, provided that the rates generated by such Rate Model adhere to Applicable Law, Prudent Industry Practice and accepted rate-setting principles for public utilities.
- 7.1.4 At the same time as a Proposed OEP or Proposed CEP is submitted, EnWin shall provide to WUC the proposed Water Rates based on the calculations of the Rate Model. In the event there is a Revised Operating Expenses Plan or a Revised Capital Expenditure Plan, EnWin shall provide to WUC a proposed Water Rate based upon a revised result from the Rate Model. In either case, WUC shall fix Water Rates no more than 30 days after receiving the proposed Water Rates from EnWin. The implementation date for the Water Rates may be a date other than the date that the Water Rates are fixed.
- 7.1.5 If the proposed change in Water Rates is less than or equal to the percentage change in Water Rates required to implement the Water System Financial Plan the "**Implementation Rate Change**"), then WUC shall approve the proposed Water Rates. To the extent that the proposed change in Water Rates exceeds the Implementation Rate Change, then WUC may consider the increment above the

Implementation Rate Change by considering the Rate Model inputs giving rise to such an increment and makes changes to such inputs if WUC so chooses. However, any adjustment must be only in respect of the increment in Water Rates above Implementation Rate Change and must ensure that all of WUC's debt obligations can be satisfied, the Operating Expenses Plan and Capital Expenditure Plan remain achievable and WUC is in compliance with this Agreement, Prudent Industry Practice and all Applicable Laws.

7.2 Reserve Account

In addition to accounting for the cost consequences arising from the Operating Expenses Plan and the Capital Expenditure Plan, the Rate Model shall make provision for the accumulation of a reserve amount to be used for future Capital Expenditures and debt repayment priorities and the amount accumulated for this purpose shall be consistent with the Water System Financial Plan and this Agreement. Amounts recovered in respect of the reserve amount shall be retained in a cash account that will be subject to certain conditions restricting the use of the accumulated funds as agreed upon by EnWin and WUC, acting reasonably.

ARTICLE 8 RECORDS AND AUDITS

8.1 Books and Records

EnWin shall directly or indirectly keep proper books, records and accounts in conformity with generally accepted accounting principles and all material requirements of Applicable Law in which full, true and correct entries will be made of all dealings and transactions in relation to the performance of the obligations of EnWin under this Agreement, at EnWin's place of business.

8.2 Compliance

EnWin shall submit to the Chair of WUC within ninety (90) days after the end of each calendar year a certificate in the form of certificate attached hereto as Exhibit B, signed on behalf of EnWin by two senior officers of EnWin stating that a review of the activities of EnWin and WUC during the preceding calendar year has been made under the supervision of such officers and that, based on that review and to their best knowledge, EnWin has fulfilled all of its obligations, and complied with all of the terms of, this Agreement, in all material respects and that no EnWin Event of Default (or event which, with notice or lapse of time or both, could become an EnWin Event of Default) occurred during such calendar year.

8.3 Third Party Reviews

In conjunction with the approval of the Operating Expenses Plan or Capital Expenditure Plan, the Parties shall determine what, if any, Third Party Reviewers are required and, as applicable, appoint said Third Party Reviewers: (i) to review and report the sufficiency of EnWin's performance pursuant to this Agreement; (ii) to certify that the Facilities were operated and maintained in all material respects in accordance with this Agreement, Prudent Industry Practices and Applicable Law; and (iii) to assess and review any opportunity to enhance the Facilities or to develop and construct new Facilities. The Third Party Reviewers shall individually or collectively be responsible for ensuring that EnWin's performance of the Services are maintaining or improving:

- 8.3.1 the interests of consumers with respect to prices and the adequacy, reliability and quality of water services;
- 8.3.2 the economic efficiency and cost effectiveness in the provision of water services and the maintenance of financially viable water operations; and
- 8.3.3 water conservation and demand management.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of WUC

WUC represents and warrants as follows to EnWin and acknowledges and confirms that EnWin is relying upon such representations and warranties:

- 9.1.1 WUC is validly organized and is duly authorized and, to the extent required and applicable, licensed to own the Facilities and to carry on the Business as presently owned and carried out;
- 9.1.2 WUC has the full power and authority to execute this Agreement which will constitute a valid and legally binding obligation of WUC enforceable against WUC in accordance with its terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that specific performance and injunction are equitable remedies available only in the discretion of the court;
- 9.1.3 neither the execution and delivery of this Agreement nor compliance with the terms hereof: (i) has resulted or will result in a violation of the terms of the constating documents of WUC or any resolution of its commissioners; (ii) has resulted or will result in a breach of or constitute a default, under any Document to which WUC is a party or by which it is bound; (iii) has resulted or will result in a violation of any provision of any Applicable Law, the occurrence of which could reasonably be expected to have a material adverse effect on the performance of its obligations under the terms hereof; or (iv) requires as of the date hereof Permits, except as have been obtained or may be obtained in the ordinary course of business;
- 9.1.4 as of the date hereof, there are no suits, actions, proceedings, judgments or orders pending or, to the knowledge of WUC, threatened against or affecting WUC, the Business or the Facilities by or before any Governmental Authority that would, if adversely determined, have a material adverse effect on WUC, the Business or the Facilities; and
- 9.1.5 as of the date hereof, each of the Material Contracts is in full force and effect and there has been no notice or claim of a material default or breach thereunder or of the occurrence of any condition entitling any Person to terminate its obligations thereunder.

The representations and warranties of WUC shall survive the execution of this Agreement and remain in full force and effect throughout the Term.

9.2 Representations and Warranties of EnWin

EnWin represents and warrants as follows to WUC and acknowledges and confirms that WUC is relying upon such representations and warranties:

- 9.2.1 EnWin is validly organized under the laws of the Province of Ontario and is duly authorized and, to the extent required, licensed and maintains all required qualifications to carry on its business in the Province of Ontario;
- 9.2.2 EnWin has full power and authority to execute this Agreement, which will constitute a valid and legally binding obligation of EnWin enforceable against EnWin in accordance with its terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that specific performance and injunction are equitable remedies available only in the discretion of the court;
- 9.2.3 neither the execution and delivery of this Agreement nor compliance with the terms hereof: (i) has resulted or will result in a violation of the terms of the constating documents of EnWin or any resolutions of its respective directors or shareholders (as applicable) or of any Applicable Law; (ii) has resulted or will result in a breach of or constitute a default under any agreement to which EnWin is a party or by which it is bound; (iii) has resulted or will result in a violation of any provision of any Applicable Law, the occurrence of which could reasonably be expected to have a material adverse effect on the performance of its obligations under the terms hereof; or (iv) requires Permits, except as such have been obtained or may be obtained in the ordinary course of business;
- 9.2.4 as of the date hereof, there are no suits, actions, proceedings, judgments or orders pending or, to the knowledge of EnWin, threatened against or affecting EnWin or any of its assets by or before any court, tribunal, board or other Governmental Authority that would, if adversely determined, have a material adverse effect on EnWin or on its performance of its duties and obligations hereunder; and
- 9.2.5 EnWin has the capability to perform its obligations, covenants and responsibilities pursuant to the terms hereof.

The representations and warranties of EnWin shall survive the execution of this Agreement and remain in full force and effect throughout the Term.

ARTICLE 10 DEFAULT AND REMEDIES

10.1 Event of Default by WUC

WUC shall be in default under this Agreement upon the occurrence of any of the following events relating to WUC, the Facilities or Business, each of which shall be deemed to be an event of default with respect to WUC for the purposes of this Agreement (a "WUC Event of Default"):

- 10.1.1 WUC breaches or fails to observe or perform any of WUC's material obligations under this Agreement and, within forty-five (45) days after written notice from

EnWin to WUC specifying the nature of such breach or failure, WUC fails to cure such breach or failure; provided, however, that if the fact, circumstance or condition that is the subject of such obligation cannot reasonably be corrected within such forty-five (45) day period and if, within such period of forty-five (45) days, WUC provides reasonable evidence to EnWin that it has commenced, and thereafter proceeds with all due diligence, to correct the fact, circumstance or condition that is the subject of such obligation, said period shall be extended for a reasonable period thereafter for WUC to correct the same with all due diligence;

- 10.1.2 notwithstanding Section 10.1.1, WUC fails to pay any amount which is required to be paid by WUC to EnWin pursuant to the terms hereof after fifteen (15) days from the due date and after receiving a notice thereof from EnWin; and
- 10.1.3 WUC: (i) becomes Insolvent; (ii) is subject to any proceeding, voluntary or involuntary, with a view to postponing or rescheduling its debts generally or of distributing its assets among its creditors under the provisions of any Insolvency Legislation for the benefit of creditors; (iii) goes into liquidation; (iv) winds up either voluntarily or under an order of a court of competent jurisdiction; (v) makes a general assignment for the benefit of its creditors; or (vi) otherwise takes any action that acknowledges that it is Insolvent.

10.2 Remedies of EnWin

Upon the occurrence of a WUC Event of Default which has not been remedied, EnWin may, without recourse to legal process and without limiting any other rights or remedies which it may have at law, in equity, or otherwise, terminate this Agreement immediately or set a date for termination of this Agreement by delivery of a written notice of termination to WUC.

10.3 Events of Default by EnWin

EnWin shall be in default under this Agreement upon the occurrence of any of the following events, each of which shall be deemed to be an event of default with respect to EnWin for the purposes of this Agreement (an “**EnWin Event of Default**”):

- 10.3.1 EnWin breaches or fails to observe or perform any of EnWin’s material obligations under this Agreement and, within forty-five (45) days after written notice from WUC specifying the nature of such breach or failure, EnWin fails to cure such breach or failure; provided, however, that if the fact, circumstance or condition that is the subject of such obligation cannot reasonably be corrected within such forty-five (45) day period and if, within such period of forty-five (45) days, EnWin provides reasonable evidence to WUC that it has commenced, and thereafter proceeds with all due diligence, to correct the fact, circumstance or condition that is the subject of such obligation, said period shall be extended for a reasonable period thereafter for EnWin to correct the same with all due diligence;
- 10.3.2 notwithstanding Section 10.3.1, EnWin fails to pay any amount which is required to be paid to WUC pursuant to the terms hereof after fifteen (15) days from the due date and after receiving a notice thereof from WUC; and

10.3.3 EnWin: (i) becomes Insolvent; (ii) is subject to any proceeding, voluntary or involuntary, with a view to postponing or rescheduling its debts generally or of distributing its assets among its creditors under the provisions of any Insolvency Legislation for the benefit of creditors; (iii) goes into liquidation; (iv) winds up either voluntarily or under an order of a court of competent jurisdiction; (v) makes a general assignment for the benefit of its creditors; or (vi) otherwise takes any corporate action that acknowledges that it is Insolvent.

10.4 Remedies of WUC

Upon the occurrence of an EnWin Event of Default which has not been remedied, WUC may, without recourse to legal process and without limiting any other rights or remedies which it may have at law, in equity, or otherwise, terminate this Agreement immediately or set a date for termination of this Agreement by delivery of a written notice of termination to EnWin.

10.5 Termination Assistance

In the event of the termination of this Agreement pursuant to Section 10.2 or Section 10.4 or non-renewal under Section 6.2 the Parties shall make commercially reasonable efforts to cooperate with each other to provide the services and advice required and otherwise requested by each to effect a smooth transition of the Services (the "**Termination Assistance Services**") provided, however, in providing such Termination Assistance Services a Party shall not be obligated to use resources beyond those otherwise then being provided by that Party.

ARTICLE 11 FORCE MAJEURE

11.1 Consequences of Force Majeure

During the occurrence of an event of Force Majeure, the obligations of the Party affected by such event of Force Majeure, to the extent that such obligations cannot be performed, are delayed or cannot be complied with as a result of such event of Force Majeure, shall be suspended, and such Party shall not be considered to be in breach or default hereunder, for the period of such occurrence except that the occurrence of an event of Force Majeure shall not relieve it of its obligations to make payments to the other Party. The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure. No obligation of a Party that arose prior to the event of Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

11.2 Notice

The non-performing Party: (i) shall give the other Party prompt written notice of the particulars of the event of Force Majeure and its expected duration; (ii) shall continue to furnish regular reports with respect thereto on a timely basis during the continuance of the event of Force Majeure; and (iii) shall use commercially reasonable efforts to remedy its inability to perform.

11.3 Burden of Proof

The burden of proof as to whether an event of Force Majeure has occurred and as to the consequences of such an event of Force Majeure shall be upon the Party claiming Force Majeure.

11.4 Duties of the Parties

The Parties shall use all commercially reasonable efforts to prevent or avoid any event, condition or circumstance, which would result in an event of Force Majeure, to minimize the effects of each event of Force Majeure and to reduce and minimize any ensuing delay or interruption in the performance of their obligations hereunder.

11.5 Liabilities

Neither EnWin nor WUC will be liable to the other for any damage or loss resulting from an interruption of production, transmission or distribution of water caused by an event of Force Majeure pursuant to the terms hereof.

ARTICLE 12 IMPOSITION OF GOVERNMENTAL AUTHORITY

12.1 Imposition of Governmental Authority

12.1.1 An “**Imposition of Governmental Authority**” shall occur if:

- (i) a Governmental Authority causes to come into force any bylaw, resolution, regulation, statute, order, ruling or judgment first having legal effect on or after the date of the Effective Date;
 - (ii) the effect of the action referred to in Section 12.1.1(i) is borne principally by EnWin or WUC; and
 - (iii) such action affects WUC’s ability to recover its costs through Water Rates or EnWin’s ability to recover from WUC any costs incurred by EnWin on behalf of WUC under this Agreement in respect of provision of the Services, except where such action is in response to any act or omission on the part of EnWin that is contrary to Applicable Law (other than an act or omission rendered illegal by virtue of such action) or such action is permitted under this Agreement.
- (a) Notwithstanding the foregoing, none of the following shall be an Imposition of Governmental Authority:
- (i) Applicable Law of general application or any action of a Governmental Authority pursuant thereto;
 - (ii) any bylaw, resolution, regulation, statute, order, ruling or judgment prior to the Effective Date has been introduced by a Governmental Authority in a similar form to the final form of the by-law that is passed by the applicable Governmental Authority, provided that any amendments made to such proposed by-law in becoming such by-law does not have a Material Adverse Effect on EnWin.

12.2 Consequences of Imposition on Governmental Authority

To the extent that there is an Imposition on Governmental Authority, then:

- 12.2.1 EnWin, upon becoming aware of the consequences of such Imposition on Governmental Authority, shall promptly notify WUC;
- 12.2.2 WUC, upon becoming aware of the consequences of such Imposition on Governmental Authority, shall promptly notify EnWin;
- 12.2.3 the Parties shall engage in good faith negotiations to amend this Agreement on the basis that such amendments together with the Imposition on Governmental Authority will substantially permit WUC to recover through Water Rates and EnWin to recover from WUC all costs incurred by EnWin on behalf of WUC; and
- 12.2.4 if the Parties fail to reach agreement on the amendments described in Section 12.2.3, the matter shall be determined in accordance with the dispute resolution mechanism set out in Section 15.1.

ARTICLE 13 INDEMNIFICATION

13.1 EnWin's Indemnification

EnWin will indemnify and hold harmless WUC and its respective general partners, limited partners, directors, officers, employees, shareholders, agents and Affiliates, as applicable, to the fullest extent permitted by law, from and against any loss, claim, liability, expense or damage resulting from a breach, omission or contravention of any of EnWin's obligations, covenants or responsibilities to be performed or executed by EnWin under this Agreement or EnWin's negligence, provided that in each case, the Party to be indemnified has acted in good faith in accordance with the provisions of this Agreement and without gross negligence or willful misconduct.

13.2 WUC's Indemnification

WUC will indemnify and hold harmless EnWin and its respective general partners, limited partners, directors, officers, employees, shareholders, agents and Affiliates, as applicable, to the fullest extent permitted by law, from and against any loss, claim, liability, expense or damage resulting from a breach, omission or contravention of any of WUC's obligations, covenants or responsibilities to be performed or executed by WUC under this Agreement or WUC's negligence, provided that in each case, the Party to be indemnified has acted in good faith in accordance with the provisions of this Agreement and without gross negligence or willful misconduct.

13.3 Claim Process

- 13.3.1 If a Party entitled to indemnification pursuant to the terms hereof (the "**Indemnified Party**") intends to seek indemnification from the other Party (the "**Indemnifying Party**"), the Indemnified Party shall give the Indemnifying Party notice of such claim for indemnification within thirty (30) days of the receipt of actual knowledge or information by the Indemnified Party of any possible claim or action ("**Claim**") including the commencement of any Claim which is subject to indemnification. The Indemnifying Party shall have no liability for any claim or action for which such notice is not provided to the extent that the failure to give such notice prejudices the Indemnifying Party.

- 13.3.2 The Indemnifying Party shall have the right to assume the defence of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party; provided, however, that if the defendants in any such action include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel, the reasonable costs of which shall be at the Indemnifying Party's expense, to assert such legal defences and to otherwise participate in the defence of such action on behalf of such Indemnified Party.
- 13.3.3 Should any Indemnified Party be entitled to indemnification under this Article 13 as a result of a Claim, and should the Indemnifying Party fail to assume the defence of such Claim, the Indemnified Party may, at the expense of the Indemnifying Party, contest (or, with or without the prior consent of the Indemnifying Party, settle) such Claim. Except to the extent expressly provided herein, no Indemnified Party shall settle any Claim with respect to which it has sought or intends to seek indemnification pursuant to this Section 13.3 without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.
- 13.3.4 Except to the extent expressly provided herein, no Indemnifying Party shall settle any Claim with respect to which it may be liable to provide indemnification pursuant to this Article 13 without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that if the Indemnifying Party has reached a bona fide settlement agreement with the claimant(s) or plaintiff(s) regarding any such Claim and the Indemnified Party does not consent to such settlement agreement, then the dollar amount specified in the settlement agreement shall act as an absolute maximum limit on the indemnification obligation of the Indemnifying Party.

13.4 Net Amount

In the event that an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 13, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual out-of-pocket loss, net of any insurance proceeds or other amount recovered from any other Person.

13.5 Survival of Obligation

The obligation to indemnify under this Article 13 will continue in full force and effect notwithstanding the termination of this Agreement, with respect to any loss, claim, liability, damage or other expense based on events or conditions which occurred prior to such termination.

13.6 Limitation of Liability

Save as expressly set out in this Agreement, no Party shall be liable to the other Party for any indirect or consequential losses or damages.

ARTICLE 14
ASSIGNMENT, CHANGE OF CONTROL AND DELEGATION

14.1 Assignment by WUC

14.1.1 WUC shall not sell or assign its rights or obligations under this Agreement without the prior written consent of EnWin, which consent may not be unreasonably withheld provided that WUC shall have provided EnWin with at least ninety (90) days prior written notice, failing which such consent may be unreasonably withheld. Notwithstanding the foregoing, WUC shall be entitled to assign this Agreement without the prior written consent of EnWin: (i) as security if required pursuant to any financing documents or any documentation relating to any indebtedness incurred by WUC or any guarantee granted by WUC; and (ii) together with the Facilities to any transferee thereof and provided that prior to such assignment WUC, EnWin and the transferee shall execute and deliver such documents as are acceptable to the signatories thereof, which documents shall include a release of WUC of its obligations hereunder and an assumption by the assignee of such obligations.

14.2 Assignment and Change of Control by EnWin

14.2.1 EnWin shall not: (i) sell or assign its rights or obligations under this Agreement; or (ii) undergo a Change of Control, without the prior written consent of WUC, which consent may not be unreasonably withheld provided that EnWin shall have provided WUC with at least ninety (90) days prior written notice, failing which such consent may be unreasonably withheld. Notwithstanding the foregoing, EnWin shall be entitled to assign this Agreement without the prior written consent of WUC:

- (a) if EnWin shall have provided WUC with at least ninety (90) days prior written notice and the assignee is an Affiliate of EnWin; or
- (b) as security if required pursuant to any financing documents or documentation relating to any indebtedness incurred by EnWin or any guarantee granted by EnWin.

14.2.2 Upon any such assignment, WUC, EnWin and the assignee shall execute and deliver such documents as are reasonably acceptable to the signatories thereof, which documents shall include a release of EnWin of its obligations, covenants and responsibilities hereunder and an assumption by the assignee of such obligations.

14.2.3 For greater certainty, a Change of Control of EnWin shall be deemed to be an assignment of the Agreement, subject to the terms and conditions set out in Section 14.2.1, above.

14.3 Delegation of EnWin's Obligations

EnWin may delegate any of its obligations under this Agreement to any of its Affiliates without the prior written consent of WUC provided that such Affiliate is a reputable Person capable of performing such obligation. EnWin shall at all times remain liable and responsible for all obligations under this Agreement notwithstanding the delegation of any obligations hereunder to any of its Affiliates.

ARTICLE 15
RESOLUTION OF DISPUTES AND ARBITRATION

15.1 Dispute

All disputes, disagreements, controversies, questions or claims arising out of or relating to this Agreement, and all other agreements entered into pursuant to the terms of this Agreement ("**Disputes**") shall be resolved as follows:

- 15.1.1 it shall be referred first to the Chair of EnWin and the Chair of WUC or the designates of either or both of the chairs (the "**Senior Leadership**") who shall endeavor to reach a decision;
- 15.1.2 in the event a decision cannot be arrived at by the Senior Leadership within twenty (20) Business Days from the date the Dispute was referred to them, any of the parties to the Dispute may give notice that it wishes to mediate the Dispute. Within twenty (20) Business Days of such notice, the parties to the Dispute will agree on and appoint a qualified and impartial mediator (the "**Mediator**"), failing which any party to the Dispute may apply to ADR Chambers Canada or such comparable body and the Mediator shall be appointed by that body. Within ten (10) Business Days of the appointment of the Mediator, each party to the Dispute shall provide the Mediator and each other party to the Dispute with a written statement of its position, including a summary of the arguments supporting its position. The Mediator will meet with the parties to the Dispute as the Mediator so determines and may request additional reasonable information. The costs of the Mediator shall be borne equally by the parties to the Dispute; and
- 15.1.3 if the Dispute is not resolved within thirty (30) Business Days after the appointment of the Mediator, or if no party to the Dispute has given notice that it wishes to mediate, then the Dispute shall be resolved by arbitration in accordance with Sections 15.1.4 and 15.1.5 below.
- 15.1.4 The Parties shall submit any arbitration under this Article 15 to a single arbitrator agreed upon by both Parties. If the Parties cannot agree upon a single arbitrator within ten (10) days after the Dispute is referred to arbitration, each Party shall within ten (10) more days choose one individual who shall sit on a three-member arbitration panel. The two arbitrators appointed shall name the third arbitrator within ten (10) days or, if they fail to do so within that time period, either Party may make application to a court of competent jurisdiction for appointment of the third arbitrator. Any arbitrator selected to act under this Agreement shall be qualified by education, training and experience to pass on the particular question in Dispute and shall have no connection to either of the Parties other than acting in previous arbitrations.
- 15.1.5 The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The arbitration shall be conducted in the City of Windsor, Ontario unless the Parties agree otherwise in writing. The decisions of the arbitrator or arbitration panel shall be made in writing and shall be final and binding on the Parties as to the questions submitted and the Parties shall have no right of appeal from such decisions. All costs and expenses relating to a Dispute which is

fully determined or settle by arbitration, including reasonable legal fees, will be borne by the Party determined to be liable or to have erred in respect of such Dispute; provided, however, that if complete wrong-doing or liability is not assessed against only one Party or if no liability is assessed, the Parties will share the total costs in proportion to their respective amounts of liability so determined or the Parties will equally share the total costs where no liability or wrong-doing is assessed, as the case may be. The Parties agree to keep all details of the arbitration proceeding and the arbitral award strictly confidential. Notwithstanding the provisions to arbitrate any Dispute hereunder, either Party may seek from a court any equitable relief (including, without limitation, injunctive relief) that may be necessary to protect such Party's rights. This Article 15 shall survive the termination or expiry of this Agreement.

15.2 Confidentiality

All information disclosed by any Party in relation to the resolution of Disputes pursuant to the terms hereof shall be subject to the provisions of Section 16.2 and shall not be used for any purpose other than the resolution of a Dispute pursuant to the terms hereof.

15.3 Continued Performance

During the conduct of dispute resolution procedures pursuant to this Article 15, the Parties shall continue to perform their respective obligations under this Agreement and neither Party shall exercise any other remedies to resolve a Dispute.

**ARTICLE 16
GENERAL PROVISIONS**

16.1 Notice

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopier or other electronic means of communication addressed to the respective Party as follows:

To WUC:

Chair
Windsor Utilities Commission
P.O. Box 1625
787 Ouellette Avenue
Windsor, Ontario
N9A 5T7

Fax: : 519.255.2767

With a copy to:

William J. Willis

McTague Law Firm LLP
455 Pelissier Street
Windsor, ON
N9A 6Z9

Fax: 519.255.4360

To EnWin:

President & CEO
EnWin Utilities Ltd.
P.O. Box 1625
787 Ouellette Avenue
Windsor, Ontario
N9A 5T7

Fax: 519.255.2767

With a copy to:

Jeffrey M. Slopen

Miller Canfield Paddock and Stone LLP
443 Oullette Avenue, Suite 300
Windsor, Ontario
N9A 6R4
Fax: 519.977.1566

or to such other address, telecopier number as a Party may from time to time notify the other in accordance with this Section 16.1. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by electronic means of communication, on the first Business Day following the transmittal thereof.

16.2 Confidentiality

EnWin hereby agrees that it will not at any time use, disclose or make available to any Person, and will take reasonable steps to prevent such disclosure and restrain further disclosure by any other Person, and will take reasonable steps to prevent such disclosure and restrain further disclosure by any other Person, any non-public or confidential information of or concerning the Business, the Facilities or the affairs of WUC whether acquired in connection with the performance of its duties and obligations pursuant to the terms hereof or otherwise or prior to or after the commencement of this Agreement (the “**Confidential Information**”), except:

16.2.1 such use as may be expressly permitted in or necessary or advisable for the performance of this Agreement or of any of the Documents;

- 16.2.2 such disclosure as may be required in order to comply with any Applicable Law, including disclosure obligations of EnWin or its Affiliates;
- 16.2.3 such information as comes into the public domain independently where to the knowledge of EnWin the Person disclosing the same is not under an obligation of confidentiality to WUC;
- 16.2.4 such information as can be demonstrated by the Person desiring to disclose such information, to have come into its possession independently of anything done under this Agreement; and
- 16.2.5 such information as may be required to be disclosed pursuant to MFIPPA;

provided, however,

- 16.2.6 nothing in this Section 16.2.6 shall prevent EnWin from disclosing, without disclosing any Confidential Information, any expertise, ideas, concepts, know-how or knowledge of the Business, the Facilities or the affairs of WUC developed or, to the extent distinct, acquired by EnWin before or after the entering into of this Agreement;
- 16.2.7 if and to the extent that PIPEDA may be or become applicable, EnWin agrees and acknowledges that if any information relating to the customers of WUC is disclosed to EnWin or its Representative, EnWin shall strictly comply and shall cause its Representatives to strictly comply with the requirements of PIPEDA and such other requirements, policies or procedures of WUC related to or arising from such disclosures;
- 16.2.8 EnWin may disclose the Confidential Information to an Affiliate of EnWin if any such Affiliate agrees to be bound by the terms of this Section 16.2 but without any rights of further disclosure and such Affiliate covenants in such agreement that it will not use any such information to the detriment of WUC; and
- 16.2.9 Section 16.2 shall expire and be at an end on the second anniversary of the termination of this Agreement.

16.3 Liability for Breach of Confidentiality

Except for disclosures made pursuant to Section 16.2 or as required by law or any Governmental Authority as required pursuant to the policies, codes, directives or other requirements of any Governmental Authority, or as required to fulfill the terms of this Agreement, each Party shall be responsible for any breach of this Agreement by the Party, its Representatives and any person to whom it discloses any Confidential Information or personal information as that term is defined in applicable privacy legislation such as MFIPPA and PIPEDA ("**Personal Information**"). The Parties agree that the disclosing Party would be irreparably injured by a breach of this Agreement by the receiving Party or by any person to whom it discloses any Confidential Information or Personal Information and that monetary damages would not be a sufficient remedy. Therefore, in such event, the disclosing Party shall be entitled to equitable relief, including injunctive relief without proof of actual damages, as well as specific performance. Such remedies shall not be deemed to be exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available at law or equity.

16.4 Press Releases

Subject to disclosures required by Applicable Law, press releases in respect of this Agreement may only be made with the prior written consent of EnWin and WUC.

16.5 Amendments

The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by WUC and EnWin.

16.6 Governing Law; Submission to Jurisdiction

This Agreement will be governed by, and is to be construed and interpreted in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario. Each of the Parties will irrevocably submit to the non-exclusive jurisdiction of the courts of Ontario.

16.7 Benefit of this Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

16.8 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision so determined to be unenforceable or invalid, the Parties agree to negotiate in good faith to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original provision to the extent permitted by law and in accordance with the intent of this Agreement.

16.9 No Partnership or Joint Venture

It is understood and agreed that nothing contained in this Agreement nor any acts of the Parties shall be deemed to constitute EnWin and WUC as partners of each other or to create a joint venture between the Parties.

16.10 Waiver

No waiver of any breach of this Agreement will be effective or binding unless in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

16.11 Time of Essence

Time shall be of the essence in respect of this Agreement.

16.12 Entire Agreement

Except for written agreements dated on or after the date of this Agreement and made in respect of this Agreement or the subject matter hereof, this Agreement constitutes the entire agreement between the

Parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations and understandings between the Parties with respect thereto.

16.13 Further Assurances

Each Party will, from time to time, execute and deliver all such documents and instruments and do all acts and things, as the other Party may from time to time reasonably request to effectively carry out or better evidence the purpose and intent of this Agreement.

16.14 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the Parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed signature page of this Agreement by a Party hereto by electronic means of transmission will be as effective as delivery of an original executed copy of this Agreement by such Party.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties hereto as of the date set forth above.

WINDSOR UTILITIES COMMISSION

By: 

Name: Biagio (Bill) Marra

Title: Commissioner

By: 

Name: Garnet Fenn

Title: Commissioner

ENWIN UTILITIES LTD.

By: 

Name: Maxwell Zalev

Title: President and CEO

By: 

Name: Victoria Zuber

Title: Vice President and CFO

EXHIBIT A

FORM OF WATER SYSTEM FINANCIAL PLAN



WINDSOR
UTILITIES
COMMISSION

Windsor Utilities Commission
Financial Plan- Water Division
2010-2016

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Windsor Utilities Commission
Cash Flow Forecast
Water Treatment and Distribution Division



BREAKDOWN OF EXPENDITURES

	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Capital Asset Acquisitions (1)	14,183,233	15,600,000	18,600,000	17,000,000	41,200,000	39,900,000
Cost of Production	4,730,146	4,903,813	5,083,555	5,243,070	5,471,488	5,633,715
Operating Expenses	19,401,831	19,674,851	20,023,550	20,623,959	21,183,037	21,845,108
Financing Expenses						
Existing Debt Repayments (2)		1,897,957	18,911,000	2,000,000	2,000,000	2,000,000
New Debt Repayments (3)					(21,524,000)	894,960
New Debt Financing (3)			(20,000,000)			30,000
Debt Interest Expenses (4)	132,654	148,812	200,802	1,000,000	1,548,720	2,037,440
Financing Interest Expenses (4)	2,253,652	2,100,000	2,000,000	3,000,000	(18,075,260)	4,852,400
Debt Interest Expenses (5)	4,018,743	3,934,863	4,117,812	4,833,959	49,176,245	42,432,231
Total Financing Expenses (Income)	42,400,295	44,016,172	42,028,615	48,833,959	49,176,245	42,432,231
Total Expenditures Forecasted						

BREAKDOWN OF REVENUES

Total Water Rate Revenue (6)	41,451,462	42,894,447	44,585,519	46,277,700	48,445,843	50,855,841
Other Miscellaneous Revenues	949,845	702,718	891,036	895,124	708,505	717,035
Total Revenues Forecasted	42,401,307	43,597,165	45,476,555	47,172,824	49,154,348	51,572,876
TOTAL NET CASH FLOW	(770,304)	(1,081,313)	1,857,885	1,894,740	1,660,842	203,115
ESTIMATED CASH BALANCE AT END OF YEAR						

NOTES

- (1) Capital is reflected by recent amendments to WUC master plan report for deferral of reserves to 2014 and growth watermain to beyond plan period
- (2) Assumes existing debt repayments in 2011 and 2012 are paid and refinanced over 10 year term at 5% interest rate
- (3) Assumes new debt repayments are issued for reserve project forecasted in 2014 and repaid over 25 years with 0% annual interest rate
- (4) Includes interest from bank overdraft balances
- (5) Includes existing and new debt interest expenses
- (6) No water rate increases have been made for 2010 and 3% increase to residential bill (usage 22 cubic metres per month) in 2011-2013 and 4% increase in 2014 and 2015

**WINDSOR UTILITIES COMMISSION
CAPITAL BUDGET
2010-2015**



WINDSOR
UTILITIES
COMMISSION

Description	FIVE YEAR FORECAST					EWA Year Forecast
	2010	2011	2012	2013	2014	
WUC Watermain Projects						
Total WUC Watermain Projects	2,735,310	5,844,732	5,079,531	8,412,894	8,541,213	6,572,037
City Watermain Projects						
Total City Watermain Projects	6,484,980	9,555,268	9,521,479	8,185,545	9,613,174	8,590,513
Total Watermain Renewal and Improvements	9,200,000	12,400,000	11,600,000	14,600,000	15,154,387	15,089,350
Growth Related Capital Work						
Growth Treatment Facilities-Reservoir					21,824,000	
Total Growth Projects					21,824,000	
Engineering Projects						
Total Engineering Projects		319,404	10,400		229,800	558,504
Transmission and Distribution Projects						
Total Transmission and Distribution Projects	459,728	183,430	187,600	183,650	205,200	184,000
Water Projects						
Total Water Projects	1,381,505	1,690,000	1,590,000	1,700,000	1,830,000	1,650,000
Water Treatment Facilities						
SCADA System	1,500,000					
A.J. Biden Pumping Station	1,250,000	1,050,799	937,810	153,700	158,600	28,150
Albert H. Weeks WTP	10,000		405,600	55,000	216,000	274,500
Generator Building					351,000	82,500
Pressing Station			102,000			
Georgia Avenue Reservoir and Pumping Station			78,600		64,800	98,000
Hanna Water Tower	311,000		312,000			
McCook Reservoir and Pumping Station			1,063,870	410,750	72,317	
Old WTP			339,120	714,440	695,958	2,352,465
Total Water Treatment Facilities	3,152,000	1,095,798	3,222,000	1,584,890	1,243,614	3,037,959
TOTAL CAPITAL BUDGET	15,741,935,233	22,585,000,000	22,500,000,000	25,900,000,000	27,472,000,000	27,150,000,000

**WATER TREATMENT AND DISTRIBUTION
OPERATING BUDGET 2010
For the Period Ending December 31, 2010**

	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
REVENUE FROM WATER RATES						
TOTAL REVENUES	949,646	702,716	681,006	698,124	706,505	717,055
OTHER REVENUES						
COST OF PRODUCTION	4,790,049	4,908,813	5,083,555	5,268,070	5,471,488	5,685,715
GROSS INCOME	37,811,058	36,786,350	40,193,960	41,883,783	43,080,995	45,886,381
OPERATING EXPENSES						
OPERATING INCOME	20,205,716	20,822,871	20,817,644	21,594,128	22,162,027	22,877,198
Depreciation	5,753,771	6,141,788	6,342,785	7,066,224	7,684,783	8,105,818
Debt Service Interest Expense	2,288,992	2,100,000	2,000,000	1,000,000	1,540,720	2,087,440
Interest Expense	132,854	146,812	206,812	-	-	30,000
NET INCOME	9,279,650	9,889,830	10,465,748	12,095,344	12,305,119	12,725,530

Windsor Utilities Commission
Water Revenues and Residential Bill Impact
Five Year Water Rate Model

	2010 (No Rate Increase)	2011	2012	2013	2014	2015
Fixed Motor Charges	17,028,295	17,028,295	17,028,295	17,028,295	17,028,295	17,028,295
Water Consumption Charges	8,789,347	9,824,834	10,889,402	11,976,061	13,463,662	15,094,594
Summer Levy Revenues	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Wastewater Levy	11,822,439	12,083,908	12,580,264	13,051,505	13,721,390	14,490,800
Wholesale Revenues	2,807,382	2,857,410	2,914,558	2,972,849	3,032,305	3,092,962
Total Revenues	41,451,452	43,984,447	44,585,519	46,227,700	48,245,643	50,855,641
Summated Expenses:						
Water Retail Revenues	27,027,662	28,089,129	29,111,897	30,203,345	31,591,857	33,512,888
Total Wholesale Revenues	2,807,382	2,857,410	2,914,558	2,972,849	3,032,305	3,092,962
Wastewater Replacement Levy	11,622,439	12,083,908	12,580,264	13,051,505	13,721,390	14,490,800
Total Expenses	41,451,452	43,984,447	44,585,519	46,227,700	48,245,643	50,855,641
Average Monthly Residential Bill (based upon 22 ms)	\$ 32.80	\$ 33.89	\$ 34.81	\$ 35.87	\$ 37.40	\$ 38.95
\$ Changes Per Month from Previous Year		\$ 0.99	\$ 1.02	\$ 1.08	\$ 1.43	\$ 1.56
% Increase From Previous Year		3%	3%	3%	4%	4%
Water Consumption Rate (per cubic metre)	\$ 0.266	\$ 0.287	\$ 0.329	\$ 0.382	\$ 0.407	\$ 0.458
Revenue Status						
Budget Billed Windsor (ms)						

Windsor Utilities Commission
Residential Bill Impact Per Monthly Water Usage

Monthly Usage	Current Bill- 2010	Proposed Bill- 2011	Difference	% Difference
10 cu. mtrs.	\$28.28	\$28.72	\$0.44	1.55 %
15 cu. mtrs.	\$30.20	\$30.88	\$0.68	2.25 %
20 cu. mtrs.	\$32.13	\$33.03	\$0.90	2.80 %
22 cu. mtrs.	\$32.90	\$33.89	\$0.99	3.01 %
25 cu. mtrs.	\$34.06	\$35.18	\$1.12	3.29 %
30 cu. mtrs.	\$35.99	\$37.34	\$1.35	3.75 %

WINDSOR UTILITIES COMMISSION
Balance Sheet
(In thousands of dollars)



WINDSOR
UTILITIES
COMMISSION

(in 000's)	2010 Budget	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Assets						
Current assets:						
Cash	3,200	3,300	1,358	1,888	1,091	208
Accounts receivable	2,500	2,575	3,501	3,808	3,750	3,800
Unbilled revenue	1,300	1,400	2,500	2,732	2,841	2,865
Due from related parties	356	358	353	1,530	1,500	1,500
Supplies inventory	397	397	397	397	393	399
Deposits and interest receivable	1,853	3,127	8,764	10,276	8,366	8,517
Prepaids, plant and equipment (net)	170,883	180,352	190,309	200,843	224,478	245,222
Work in progress	50	50	50	50	50	50
TOTAL ASSETS	178,389	188,229	206,133	211,298	244,438	255,889
Liabilities and Equity						
Current liabilities:						
Bank indebtedness	770	1,091	5,878	5,404	4,505	3,120
Accounts payable and accrued liabilities	5,377	5,791	3,800	4,000	5,000	8,500
Due to related parties	4,212	4,212	2,000	2,000	2,993	2,865
Current portion of debentures and debt	11,561	24,283	11,378	11,404	12,570	12,385
Long-term liabilities:						
Debt due and long term debt	18,940	18,000	18,000	18,000	34,758	31,894
Deferred income taxes	10	8	8	5	4	19,451
Employers' future benefits	19,318	18,084	18,889	17,733	18,920	19,451
	34,168	18,082	34,885	33,738	53,383	51,441
Equity:						
Contributed capital	52,104	62,354	62,304	63,854	63,104	63,364
Retained earnings	70,833	80,820	81,266	103,877	119,877	129,533
	122,937	143,174	143,570	167,731	182,981	192,957
TOTAL LIABILITIES AND EQUITY	178,389	188,229	206,133	211,298	244,438	255,889

EXHIBIT B
FORM OF OFFICERS CERTIFICATE

ENWIN UTILITIES LTD.
OFFICER'S CERTIFICATE

TO: Windsor Utilities Commission ("WUC")

RE: Water System Operating Agreement dated as of November 6, 2012 (the "Agreement")
between WUC and Enwin Utilities Ltd. ("EnWin")

The undersigned certify for and on behalf of EnWin in their capacities as officers of EnWin, and not in their personal capacities, as follows:

1. Capitalized terms used in this Certificate and not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.
2. A review of the activities of EnWin and WUC during the preceding calendar year has been made under our supervision.
3. Based on the review mentioned in paragraph 2 of this Certificate, and to the best of our knowledge, EnWin has fulfilled all of its obligations and complied with all of the terms of the Agreement in all material respects.
4. Based on the review mentioned in paragraph 2 of this Certificate, and to the best of our knowledge, no EnWin Event of Default (or event which, with notice or lapse of time or both, could become an EnWin Event of Default) occurred during the preceding calendar year.

[Remainder of this page left intentionally blank.]

DATED this _____ day of _____, 2012.

Name: _____

Title: _____

Name: _____

Title: _____

IN WITNESS WHEREOF this Agreement has been executed by the Parties hereto as of the date set forth above.

WINDSOR UTILITIES COMMISSION

By: _____

Name: Biagio (Bill) Marra
Title: Commissioner

By: _____

Name: Garnet Fenn
Title: Commissioner

ENWIN UTILITIES LTD.

By: _____

Name: Maxwell Zaley
Title: President and CEO

By: _____

Name: Victoria Zuber
Title: Vice President and CFO



ATTACHMENT 4 - M

Service Level Agreement – EWU/City

MASTER SERVICES AGREEMENT

ENWIN UTILITIES LTD.

- and -

THE CORPORATION OF THE CITY OF WINDSOR

September 27, 2017

MASTER SERVICES AGREEMENT

This Master Services Agreement made to take effect as and from the 1st day of November, 2017
(the “**Effective Date**”)

BETWEEN:

ENWIN UTILITIES LTD.

a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter referred to as “**Utilities**”)

- and -

THE CORPORATION OF THE CITY OF WINDSOR

a municipal corporation established pursuant to the laws of the Province of
Ontario (hereinafter referred to as the “**City**”)

RECITALS

1. Utilities distributes electricity to customers in the City of Windsor, and is regulated by the Ontario Energy Board (the “**OEB**”) and must comply with the terms of its Distribution Licence.
2. The City, as the sole shareholder of Windsor Canada Utilities Ltd. which in turn is the sole shareholder of Utilities, is an Affiliate of Utilities for purposes of the Affiliate Relationships Code, and therefore any service provided by the City to Utilities or by Utilities to the City (and any terms and conditions related thereto) must be provided in accordance with the Affiliate Relationships Code.
3. The Parties wish to enter into this Agreement to establish the general terms and conditions that shall apply to Service Schedules for the performance of certain services, as set out in Service Schedules, by: (a) Utilities for the benefit of the City; and (b) the City for the benefit of Utilities.

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereto confirm the accuracy of the recitals above which are incorporated into this Agreement by reference, and further agree as follows:

ARTICLE 1 **INTERPRETATION**

1.01 DEFINITIONS

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

“Actual Completion Date” means, with respect to a Service, the date on which the Service was completed in accordance with Section 3.02(b);

“Affiliate” has the meaning ascribed to such term in the Affiliate Relationships Code;

“Affiliate Relationships Code” means the Affiliate Relationships Code for Electricity Distributors and Transmitters issued by the OEB, as amended from time to time;

“Agreement” means this Master Services Agreement between Utilities and the City, including all Service Schedules issued in connection therewith. This Master Services Agreement and all Service Schedules are intended to be construed as a single unified and harmonious instrument;

“Applicable Law” means, collectively, all applicable laws, treaties, statutes, codes, codes of conduct, ordinances, decrees, rules, regulations, including, without limitation, policies, codes or guidelines of a Governmental Authority, judicial, administrative, ministerial, departmental or regulatory judgments, orders, decisions, directives or rulings and conditions of any licence, permit, certificate, registration, authorization, consent or approval applicable to this Agreement or the subject matter hereof which in each case is binding in nature and enforceable against a Party;

“Business Day” means any day other than a Saturday or Sunday or a statutory or bank holiday in the Province of Ontario or a date observed by either of the City or the Utilities as a holiday;

“Change of Control” means any change in the control of the assets or shares of Utilities pursuant to which the assets and operations of Utilities are in the control of a third party to this Agreement, whether such change occurs by way of a sale, transfer, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, redemption or otherwise;

“City” has the meaning ascribed to such term in the Preamble;

“Claims” has the meaning ascribed to such term in Section 7.01;

“Confidential Information” has the meaning ascribed to such term in Section 11.01;

“Cost Recovery Methodology” has the meaning ascribed to such term in Section 5.03;

“Disclosing Party” has the meaning ascribed to such term in Section 11.01;

“Dispute” has the meaning ascribed to such term in Section 13.01;

“Effective Date” has the meaning ascribed to such term in the Preamble;

“Event of Default” has the meaning ascribed to such term in Section 9.01;

“Fees” has the meaning ascribed to such term in Section 5.01;

“Force Majeure Event” has the meaning ascribed to such term in Section 12.01;

“Good Utility Practices” means any of the practices, methods and activities adopted by a significant portion of the North American utility industry as good practices applicable to performance of Services of similar type or any of the practices, methods or activities which, in the exercise of skill, diligence, prudence, foresight and reasonable judgement, in light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and Applicable Laws. Good Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather are intended to delineate acceptable practices, methods, or acts generally accepted in the North American utility industry;

“Governmental Authority” means, subject to Section 6.03, any court or governmental ministry, department, tribunal, commission, board, bureau, agency, or instrumentality of Canada, or of any province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing having or purporting to have jurisdiction over the Services or over any Party to this Agreement, including, for greater certainty, the OEB, the IESO, the Privacy Commissioner of Canada, and the Information and Privacy Commissioner of Ontario, and their successors and any person acting under the authority of a Governmental Authority.

“IESO” means the Independent Electricity System Operator for Ontario;

“Indemnified Party” has the meaning ascribed to such term in Section 7.01;

“Indemnifying Party” has the meaning ascribed to such term in Section 7.01;

“Intellectual Property” means any discovery, invention, formulation, know-how, method, technological development, industrial design, enhancement, modification, improvement, work of authorship, computer software and documentation thereof, data or collection of data, whether patentable or not, or susceptible to copyright or any other form of legal protection, and includes Confidential Information;

“MFIPPA” means the *Municipal Freedom of Information and Protection of Privacy Act* of Ontario, as amended from time to time;

“Minimum Retention Period” means a mandatory retention period of at least six (6) years, calculated from the end of the last calendar year to which the applicable record relates, as required under the Mandatory Record Retention Period Policy for Regulatory Entities (File No. EB-2015-0247) published by the OEB (as may be amended or restated);

“OEB” has the meaning ascribed to such term in the Recitals and any successor thereto;

“OEB Requirements” has the meaning ascribed to such term in Section 11.02(d);

“Parties” means Utilities and the City and any reference to a Party includes its successors and permitted assigns; and **“Party”** means either of Utilities or the City;

“Personal Information” has the meaning ascribed to such term in the MFIPPA;

“Prime Rate” means a rate of interest per annum equal to the late payment interest rate on Utilities’ tariff of rates and charges approved by the OEB and then in effect;

“Prior Agreements” has the meaning ascribed to such term in Section 2.02(a);

“Prior Services” has the meaning ascribed to such term in Section 2.02(b);

“Receiving Party” has the meaning ascribed to such term in Section 11.01;

“Representatives” in reference to a Party, means, as applicable, the Party’s mayor, councillors, directors, officers, commissioners, employees, agents and contractors;

“Service Provider” means the Party performing Service(s) pursuant to a Service Schedule;

“Service Recipient” means the Party receiving Service(s) pursuant to a Service Schedule;

“Service Provider Background IP” means all Intellectual Property (a) owned or licensed by Service Provider as of the Effective Date or (b) acquired or licensed by Service Provider from a third party after the Effective Date, (c) developed or created by the Service Provider (alone or jointly) other than in the course of the Services, and (d) all improvements, variations, modifications or enhancements of the Intellectual Property described in (a), (b) or (c) above developed or created by, or on behalf of, Service Provider after the Effective Date that does not constitute Service Results and IP;

“Service Recipient Background IP” means all Intellectual Property (a) owned or licensed by Service Recipient as of the Effective Date or (b) acquired or licensed by Service Recipient from a third party after the Effective Date, and (c) developed or created by the Service Recipient (alone or jointly) other than in the course of the Services, and (d) all improvements, variations, modifications or enhancements of the Intellectual Property described in (a) and (b) above conceived, discovered, invented, made or first reduced to practice by, or on behalf of, Service Recipient after the Effective Date that does not constitute Service Results and IP;

“Service Results and IP” means any data, formulae, outcomes or other results produced in the course of the Services and any Intellectual Property conceived, discovered, invented, made or first reduced to practice in the course of the Services, either alone or jointly by the parties, that is not Service Provider Background IP or Service Recipient Background IP;

“Service Schedule” means a request for services, substantially in the form attached hereto as Schedule A, executed by the Parties;

“Services” has the meaning ascribed to such term in Section 3.01;

“Settlement Period” has the meaning ascribed to such term in Section 2.02(b);

“Term” has the meaning ascribed thereto in Section 2.01;

“**Utilities**” has the meaning ascribed to such term in the Preamble; and

“**Warranty Period**” means, with respect to a Service, the period ending on the first anniversary of the Actual Completion Date, subject to any specific exceptions contained in any Service Schedule.

1.02 CONSTRUCTION OF AGREEMENT

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated there under, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;
- (c) “**includes**” or “**including**” shall mean includes (or as applicable, including) without limitation;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded; and if the last day of such period is not a Business Day, the period shall end on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, Subsections and Schedule(s), the provision of a table of contents and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the terms and conditions hereof are the result of negotiations between the Parties and the Parties therefore agree that this Agreement shall not be construed in favour of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement; and
- (j) The order of priority of the various documents or portions thereof which comprise this Agreement is as follows, in descending order of priority:

- (i) the body of this Agreement;
- (ii) each Service Schedule; and
- (iii) any addendums, amendments, attachments or exhibits to the Service Schedule expressly agreed upon in writing by the Parties and referenced in the Service Schedule.

1.03 SCHEDULES OF SERVICES

The Schedules set out below are attached to and form part of this Agreement, as may be amended by the Parties by mutual agreement from time to time:

Schedule

Description

A

Form of Service Schedule

1.04 PURPOSE OF AGREEMENT

The purpose of this Agreement is to establish terms and conditions for all services to be performed by the City for the benefit of Utilities or by Utilities for the benefit of the City, other than those services that are provided pursuant to a separate agreement between the City and Utilities.

ARTICLE 2 TERM

2.01 TERM

The term of this Agreement shall commence on the Effective Date and, unless terminated or abbreviated pursuant to ARTICLE 10, shall remain in effect for a period of five (5) years (the “**Term**”). The Term shall be automatically renewed for successive one (1) year periods unless either Party delivers written notice of its intention to terminate this Agreement no later than 60 days prior to the expiration of the then applicable Term.

2.02 TERMINATION OF PRIOR AGREEMENTS

- (a) In the event that, immediately preceding the Effective Date, either Party was providing Services to the other Party (collectively, “**Prior Services**”) pursuant to formal or informal arrangements effected verbally or in writing (collectively, “**Prior Agreements**”), the Parties agree that such Prior Agreements shall terminate on the Effective Date.
- (b) Any settlement of accounts in relation to a Prior Agreement shall be completed within 90 days of the Effective Date (the “**Settlement Period**”). Upon expiration of the Settlement Period, all accounts in relation to the Prior Agreements shall be deemed to be fully settled and closed. The Parties acknowledge and agree that any failure by either Party to terminate or fulfil its obligations pursuant to a Prior

Agreement or any action associated therewith shall not delay, hinder, modify, or invalidate any provision of this Agreement.

ARTICLE 3

SERVICES

3.01 SERVICES

- (a) Subject to the terms, covenants and conditions contained in this Agreement, each Party shall provide or cause to be provided, the services described in a Services Schedule (collectively, the “**Services**”).
- (b) Either Party may, from time to time during the Term, deliver a written request to the other Party for the Parties to negotiate a Services Schedule substantially in the form attached hereto as Schedule A that is populated with the applicable scope of services, Fee and other such relevant information. Such notice shall include an initial draft of the Services Schedule. Upon receipt of a written request, the Parties agree that they shall negotiate a Services Schedule in good faith and shall use commercially reasonable efforts to agree upon the Cost Recovery Methodology and execute such Services Schedule within 20 Business Days of the date the initial written request is delivered or within such time period as otherwise may be agreed to by the Parties in writing.
- (c) Unless the Parties agree expressly in writing to waive any of the terms and conditions of this Agreement, a Service Schedule shall incorporate the provisions of this Agreement.

3.02 PROVISION OF SERVICES

- (a) Each Party shall be responsible for the provision of the applicable Services provided hereunder pursuant to a Service Schedule and the methods employed in providing the same, and represents and warrants that such Services being provided by the Party shall be provided in a diligent, competent, and professional manner to commercially reasonable standards, including but not limited to ensuring that the Services are performed in accordance with Applicable Law and Good Utility Practices.
- (b) Upon the Service Provider notifying the Service Recipient in writing that Services under a Service Schedule have been completed, the Service Recipient shall confirm in writing that completion has been achieved with respect to the Services within 10 Business Days of the date that the written notice is received by the Service Recipient, unless the Service Recipient (acting reasonably and in good faith) otherwise provides written notice to the Service Provider of its failure to achieve completion (including appropriate details supporting same), in which case the Service Provider shall complete such additional items as are set out in the notice provided by the Service Recipient. Once all such additional items are completed, the Service Provider shall notify the Service Recipient in writing in

accordance with this Section 3.02(b). This process shall be repeated on an iterative basis until completion of the Services is achieved in accordance with the foregoing provisions of this Section 3.02(b). Any Dispute respecting the achievement of completion will be dealt with in accordance with the dispute resolution provisions set out in ARTICLE 13. If the Service Provider notifies the Service Recipient of completion of the Services in accordance with this Section 3.02(b), and the Service Recipient fails to respond in accordance with this Section 3.02(b) within 10 Business Days of the date that the written notice is received by the Service Recipient, the Service Provider shall deliver a written reminder of its request for confirmation of completion to Service Recipient. If the Service Recipient fails to respond to the second notice and any further notices provided thereafter, within two Business Days, completion shall be deemed to have been achieved with respect to the Services.

- (c) During the Warranty Period, if either Party discovers any defect or deficiency relating to the Services, which defect or deficiency renders such Services to be not compliant with the provisions of Section 3.02(a), such Party shall promptly notify the other Party in writing of the nature of such defect or deficiency and the Services affected. Upon such notice, the Service Provider shall, to the extent such defect or deficiency is caused by or affects the Services it performs under this Agreement, propose to the Service Recipient a reasonably detailed schedule and remedial plan describing the remedial work to be performed by the Service Provider (including, for clarity, re-performance of the Services as reasonably necessary to address such defect or deficiency) and, upon the Service Recipient providing its consent (which shall not be unreasonably withheld or delayed), perform the remedial work at its sole cost and expense.

3.03 RELATIONSHIP

Notwithstanding the Affiliate relationship deemed to exist between the Parties pursuant to the Affiliate Relationships Code, in performing Services, each Party shall operate as an independent contractor and not as an agent of the other Party, and shall maintain its own organization as a distinct and separate legal entity from the other Party. Neither Party shall have the authority to legally bind the other Party in performing the Services without the prior written authority from the other Party to do so. Nothing in this Agreement shall be deemed to constitute a partnership or a joint venture or to create any fiduciary relationship between the Parties in relation to the Services.

3.04 MODIFICATIONS TO THE SERVICES

Either Party may from time to time request that the Parties amend a Services Request to modify the agreed upon scope of services. If the Parties are able to mutually agree on such amendment, the Parties shall formalize the amendment in writing.

ARTICLE 4

RESPONSIBILITIES

4.01 RECORDS MAINTENANCE & AUDIT RIGHTS

- (a) Each Party shall maintain all relevant records relating to the performance of the Services for the Minimum Retention Period commencing on the applicable Actual Completion Date, or such longer period of time as may be required under Applicable Law. Each Party shall provide those records to the other Party upon request and without delay, including as and when a Party requires the records for purposes of complying with Applicable Law or for purpose of responding to a request from or in a proceeding under the authority of a Governmental Authority.
- (b) Each Party shall provide the other Party with the information reasonably required to enable the other Party to perform any business case study to assess or justify prospective or provided Services, subject always to the MFIPPA.
- (c) Concurrent with issuing any invoice or other charge for Services provided, the Service Provider shall provide to the Service Recipient a detailed breakdown of the Party's fully-allocated cost of providing the Services.
- (d) Either Party may, from time to time at its own expense, conduct an inspection or audit of the Services, including but not limited to: (i) the quality of the Services provided, (ii) Fees charged for the Services, (iii) the application of the cost allocation methodology supporting the Fees charged and (iv) all documents reasonably requested by a Party in connection with the calculation of the Fees. Each Party agrees to grant reasonable access by the other Party to its records and documents in connection with any such inspection or audit, including providing copies of documents and records reasonably requested by such Party.

4.02 CO-OPERATION

The Parties shall cooperate with each other during and after the Term: (a) to effect a smooth and orderly delivery of Services or the termination of this Agreement; and (b) with respect to audits or other inquiries, filings, reports and payment of taxes arising in connection with this Agreement, which may be required, initiated or requested from or by any duly authorized Governmental Authority. Subject to Applicable Law in respect of privacy and ARTICLE 11, each Party agrees to provide to the other Party documentation lawfully requested from the other Party by a Governmental Authority as may be required to satisfy the lawful request.

4.03 NOTIFICATION OF CHANGES OF CIRCUMSTANCES

The Parties shall promptly notify each other of any facts or changes or prospective changes in circumstances that might reasonably have a material effect on the performance of the Services, and shall use best efforts to consult with one another in this regard to the extent possible. A material change shall include, but not be limited to, any change which might reasonably require the other Party to incur an increase or decrease of more than 10% of the

resources required for performance or the costs being incurred in respect to any Service prior to the change.

4.04 NOTICE OF PROCEEDINGS

The Parties shall promptly give notice to each other of all actual or potential claims, proceedings, notices of regulatory non-compliance from any Governmental Authority, disputes (including labour disputes) or litigation which it reasonably believes could have an adverse effect on the fulfillment of any of the terms hereof by either Party (whether or not any such claim, proceeding, dispute or litigation is covered by insurance) in respect of its own operations of which any of them is aware. Subject to compliance with Applicable Law, including applicable privacy legislation, and ARTICLE 11, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such claims, proceedings, notices, disputes, or litigation, and any developments relating thereto.

4.05 PERMITS

Each Party shall, at its sole expense, obtain and maintain during the Term, all permits, certifications, licenses and other types of approvals required by it under Applicable Law to perform the Services and, upon request, shall provide the other Party with proof thereof.

4.06 INSURANCE

- (a) Insurance. Neither Party nor any of its subcontractors shall commence the performance of Services until such Party has obtained, at its own expense, the following minimum insurance coverage which it shall maintain in full force and effect for the duration of the Term:
 - (i) Commercial General Liability insurance with limits of at least \$10,000,000.00 per occurrence involving bodily injury, personal injury, death, or property damage, with the other Party listed as an additional insured and including a cross-liability provision, and coverage for completed operations, non-owned auto, tenant's legal liability, coverage for hazardous operations, and contractual liability;
 - (ii) Professional Liability/Errors and Omissions Insurance that has limits of not less than \$5,000,000 per claim. The policy must be in place continuously from the commencement of the Agreement until two (2) years after the expiration of the Term;
 - (iii) Workers' Compensation Insurance applicable in the Province of Ontario for the Services or any portion of the Services is to be performed. The applicable Party shall ensure that all subcontractors, suppliers, agents, and invitees also qualify and carry such required insurance before providing Services. In the event that a subcontractor is exempt from workers compensation laws or requirements, (1) a letter to this effect must be written and signed by the workers compensation authority or applicable board for the jurisdiction in which the Services is to be performed, and

delivered to the Parties prior to commencement of any Services and (2) the Commercial General Liability insurance required under Section 4.06(a)(i) is to include Employer's Liability coverage.

- (iv) Automobile Liability Insurance in compliance with any and all statutory motor vehicle liability requirements, for all owned, hired and non-owned vehicles in a Party's care, custody & control, with a Combined Single Limit of \$2,000,000 Bodily Injury Liability and Property Damage Liability per occurrence; and
- (v) Umbrella/Excess Liability Insurance may be in place to satisfy the insurance requirements set out in Section 4.06(a), where applicable

Neither Party shall cancel, allow to lapse or materially change in any way the insurance required pursuant to this Section 4.06(a) until 30 days after written notice of same is provided to the other Party. If a Party fails to provide or to maintain the insurance required by this Section 4.06(a), then the other Party shall have the right to provide and maintain such insurance, at the non-compliant Party's sole cost and expense.

- (b) Proof and Standard of Insurance. Proof of all insurance must be satisfactory in form and content to: (i) the City's Risk Management Division; and (ii) Utilities Vice President, Finance and CFO, as applicable, each acting reasonably. All insurance must be placed with carriers holding a minimum financial rating of A- or better with A.M. Best and with insurers licensed to underwrite insurance in Canada. No requirement above shall impose on either Party a duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the other Party, nor shall either Party be responsible for any representations or warranties made by the other Party to any insurance company or underwriter. All insurance shall be primary over and non-contributing with, and not in excess of, any other insurance held or obtained by the other Party.
- (c) Deductibles. Each Party shall be responsible for the deductible amounts owing under its insurance policies.

4.07 ACCESS BY SERVICE RECIPIENT AND HEALTH & SAFETY

Each Party, as the Service Provider, hereby acknowledges and agrees that the Service Recipient shall have reasonable access to the Service Provider's facilities, records and applicable documents, as are strictly required in connection with the Services provided by the Service Provider, provided that that Service Recipient shall be required to deliver prior written notice no less than 48 hours in advance of exercising its rights under this Section 4.07. When on the premises of a Party, the other Party's employees shall comply with all health and safety rules and regulations which are brought to their attention from time to time or about which they ought to be aware acting reasonably.

ARTICLE 5

FEES AND PAYMENTS

5.01 FEES

In consideration of the provision of Services, the Service Recipient shall pay to the Service Provider the fees set out in the applicable Service Schedule, as may be amended by the Parties in writing from time to time and as determined and adjusted from time to time in accordance with Section 5.03 (the “Fees”).

5.02 PAYMENT

- (a) Unless a more frequent payment schedule is provided for in the applicable Service Schedule, the Service Provider, shall deliver a monthly invoice setting forth the aggregate Fees due by the Service Recipient in respect of each current Service Schedule.
- (b) the Service Recipient shall, within 30 days of the date after receipt of an invoice referred to in Section 5.02(a), notify the Service Provider of any amounts therein which the Service Recipient reasonably considers not properly due to the Service Provider, and the Service Recipient shall not be required to pay such disputed amounts until 30 days after such dispute is resolved.
- (c) Subject to Section 5.02(b), the Service Recipient shall pay the amounts set out in an invoice referred to in Section 5.02(a) in such manner as directed in the invoice within 30 days of the date of such invoice (unless expressly set out otherwise in the invoice, provided that the Service Provider shall not be permitted to require payment by the Service Recipient of an invoiced amount within a time period less than 30 days).

5.03 FULL COST RECOVERY

The Parties acknowledge that the Fees charged by Service Provider to the Service Recipient shall be no more than the fully-allocated cost for the Service Provider to provide the Service, which fully-allocated cost may include a return on invested capital that is (a) no higher than Utilities’ OEB-approved weighted average cost of capital in the case of Services being provided by the City, and (b) no less than Utilities’ OEB-approved weighted average cost of capital in the case of Services being provided by Utilities, as determined in accordance with each Party’s methodology reasonably determined from time to time and always subject to Applicable Law (the “**Cost Recovery Methodology**”). Each Party shall deliver a document setting out its Cost Recovery Methodology to the other Party on or before execution of each Service Schedule and thereafter upon any change to the Cost Recovery Methodology. The City further acknowledges that Utilities is a rate regulated entity and that any Services provided by the City, and the recovery by Utilities of the costs of the Fees charged to Utilities, are subject to regulatory review by the OEB.

5.04 ANNUAL REVIEW & ADJUSTMENT TO FEES

The relationship between the Parties arising from this Agreement shall be subject to review by the Parties at least once annually, which review shall consider:

- (a) implementation of processes contemplated by this Agreement;
- (b) issues relating to performance of Services under this Agreement;
- (c) any changes in the cost in connection with a Party's compliance with Applicable Law affecting the provision of Services;
- (d) any changes to the nature or scope of the Services;
- (e) any decision by the OEB as it relates to Services provided or received pursuant to this Agreement; and
- (f) the Affiliate relationship and the requirements under the Affiliate Relationships Code for Services to be provided by Utilities to their Affiliates or received by Utilities from their Affiliates on the basis of the fully-allocated cost to provide the Services so as to avoid cross-subsidization between the Parties and any other matters relating to compliance with Affiliate Relationships Code requirements.

5.05 TAXES

Fees shall include any and all applicable taxes properly exigible on the supply of Services under this Agreement including any and all applicable taxes under the *Excise Tax Act* (Canada), sales taxes, value-added taxes or any other taxes (excluding income taxes).

5.06 LATE PAYMENT

If either Party fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a rate equal to the Prime Rate.

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENT

6.01 REPRESENTATIONS AND WARRANTIES OF UTILITIES

Utilities hereby represents and warrants to the City as follows and acknowledges that the City is relying on such representations and warranties in connection herewith:

- (a) Utilities is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;

- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) this Agreement has been duly executed and delivered by Utilities and constitutes a legal, valid and binding obligation of Utilities, enforceable against Utilities by the City in accordance with its terms; and
- (d) Utilities has received, reviewed and approved for the purposes set out in this Agreement, the City's Cost Recovery Methodology.

6.02 REPRESENTATIONS AND WARRANTIES OF THE CITY

The City hereby represents and warrants to Utilities as follows and acknowledges that Utilities is relying on such representations and warranties in connection herewith:

- (a) the City is an Ontario municipal corporation, subject to the *Municipal Act, 2001*, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by its Council;
- (c) the provision by the City of Services pursuant to this Agreement complies with the City's shareholders directions to Windsor Utilities Canada Ltd.;
- (d) the City has received, reviewed and approved for the purposes set out in this Agreement, Utilities' Cost Recovery Methodology; and
- (e) this Agreement has been duly executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable against the City by Utilities in accordance with its terms.

6.03 ACKNOWLEDGMENT BY THE PARTIES

Each Party acknowledges and agrees that this Agreement is subject to all Applicable Laws, including all municipal bylaws of general application, except bylaws which have the effect of amending this Agreement.

ARTICLE 7 INDEMNIFICATION

7.01 INDEMNIFICATION

- (a) Each Party, on behalf of itself, its directors, officers, commissioners, elected officials, employees, volunteers, agents, successors, and assigns ("**Indemnifying**

Party") agrees to indemnify and hold harmless the other Party, its directors, officers, commissioners, elected officials, volunteers, employees, agents, successors, and assigns ("**Indemnified Party**"), against any and all claims, demands, suits, losses, damages, liabilities, penalties, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest on, any and all actions, suits, proceedings for personal injury (including death) or property damage, assessments, judgments, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (collectively, "**Claims**") arising out of or related to: (i) breaches of the Indemnifying Party's obligations contained in this Agreement, including but not limited to the disclosure of Confidential Information and/or Personal Information pursuant to Section 11.03; (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Indemnifying Party; and (iii) the negligent acts, negligent omissions, or wilful misconduct of the Indemnifying Party in connection with the performance of its obligations under this Agreement.

- (b) The indemnities provided for in Section 7.01(a) shall only apply if the Indemnified Party gives the Indemnifying Party prompt notice of any such Claim as soon as it is aware of a situation that may give rise to a Claim, and all requested and necessary information and assistance. The Indemnifying Party, at its option, may defend or settle such claim provided that the Indemnified Party may participate in such defense if the Indemnifying Party and the Indemnified Party's interest are divergent. The Indemnifying Party may not settle a Claim without consent of the Indemnified Party, such consent not to be unreasonably withheld, conditioned or delayed.
- (c) In the event that a Claim is the result of the contributory negligence of the Parties, the loss, liability and costs (including legal fees) associated with the defence and settlement of the Claim shall be borne by each Party in proportion to its negligence.
- (d) Neither Party shall, or shall permit its subcontractors to, file any lien or encumbrance in connection with the performance of such Party's Services except as solely as a result of the other Party's failure to make an undisputed payment when due in accordance with this Agreement. If any lien or encumbrance is filed in connection with the performance of the Services by the Party performing the Services or its subcontractors in violation of this Section 7.01(d), such Party shall, within five Business Days of the filing of any such lien or encumbrance, discharge or remove in accordance the Applicable Law and shall provide evidence of such discharge or removal to the other Party within five Business Days of the discharge or removal. If a Party fails to take such action within the time period provided by this Section 7.01(d), the other Party shall have the right, at its option, without notice to the failing Party, to maintain holdback from payments to such failing Party and to pay or settle such lien or encumbrance, and such failing Party shall, within two Business Days of receipt of a request by the other Party, reimburse the other Party for all actual reasonable costs and expenses

incurred by the other Party in connection therewith. Any undisputed, past due payment required pursuant to this Section 7.01(d) shall accrue interest at the Prime Rate.

ARTICLE 8

LIMITATION OF LIABILITY

8.01 LIMITATION OF LIABILITY

Subject to Section 8.03, each Party's maximum aggregate liability for all Claims of any kind under this Agreement shall not exceed an amount equal to the average of the Fees invoiced by such Party in the three (3) years preceding the date of the Claim. The foregoing limitation of liability shall not apply to a Party's liability: (i) for fraudulent actions; or (ii) for its or its subcontractors willful misconduct or gross negligence, nor apply to any insurance proceeds received or which will be received by the Party pursuant to policies maintained in accordance with the terms of this Agreement or in the case the Party fails to maintain insurances required to be maintained hereunder, an amount equal to any insurance proceeds which would have been received pursuant to such insurance policies had such been maintained as required hereunder. The Parties acknowledge and agree that any of a Party's liability covered by the proceeds of the insurance maintained pursuant to ARTICLE 4 shall not reduce or be applied against the limit of liability set out in this Section 8.01.

8.02 CONSEQUENTIAL DAMAGES

Subject to Section 8.03, in no event shall either Party be liable to the other Party, irrespective of whether alleged to be by way of indemnity, as a result of breach of contract, breach of warranty, tort (including negligence), strict liability, or any other legal theory for damages that constitute consequential, incidental, special, indirect, exemplary or punitive damages of any nature whatsoever, except to the extent such damages are covered by insurance proceeds actually received pursuant to the applicable Party's insurance.

8.03 EXCEPTIONS TO LIMITATION

The exclusions and limitations of liability contained in Sections 8.01 and 8.02 shall not apply to liabilities arising from either party's indemnification obligations under ARTICLE 7 of this Agreement with respect to any damages, awards or other amounts payable to a third party in connection with a third party Claim.

ARTICLE 9

DEFAULT

9.01 DEFAULT

The occurrence of any one or more of the following shall constitute an event of default on the part of a Party (an "**Event of Default**"):

- (a) if the Service Recipient fails to pay any Fees set out in an invoice delivered pursuant to ARTICLE 5 and such default shall continue without being cured

within 30 days following notice thereof to the Service Recipient by the Service Provider; and

- (b) breach of any material representation or warranty or failure to perform or observe any material covenant or obligation under this Agreement if such failure is not cured within 30 days following notice thereof (giving particulars of the failure in reasonable detail) from the non-defaulting Party or such longer period as may be reasonably necessary to cure such failure, provided that:
 - (i) the defaulting Party proceeds with all due diligence to cure or cause to be cured such failure; and
 - (ii) the failure can be reasonably expected to be cured or caused to be cured within a reasonable time frame acceptable to the non-defaulting Party, acting reasonably.

ARTICLE 10

TERMINATION RIGHTS

10.01 TERMINATION ON DEFAULT

Upon the occurrence of an Event of Default under this Agreement which is not cured within the permitted time period specified in Section 9.01, the non-defaulting Party shall have the right to terminate this Agreement by delivering written notice of termination to the defaulting Party whereupon this Agreement shall terminate as at the effective date of termination specified in the notice.

10.02 TERMINATION ON NOTICE

- (a) Either Party may terminate this Agreement at any time during the Term by delivering written notice to the other Party no less than 180 days in advance of the stated termination date set out in the notice.
- (b) Either Party may terminate a Service Schedule or the provision of any portion of the Services described in a Service Schedule at any time by delivering written notice to the other Party no less than 90 days in advance of the stated termination date set out in the notice, unless a greater minimum notice period is described in the applicable Service Schedule. The Party exercising its right to terminate shall provide as much advance notice to the other Party as reasonably possible in the circumstances of its intent to terminate any specified Services in accordance with this Section 10.02(b).

10.03 TERMINATION FOR CHANGE IN APPLICABLE LAW

In the event that:

- (a) there is a change in Applicable Law which materially affects either Party in relation to any of the Services; or
- (b) a Party is unable to perform any or all of the Services due to a change in policy, guidelines, codes, directives, order, decision or other regulatory action of any Governmental Authority (which, for greater certainty, shall include the City solely for the purposes of this Section 10.03(b)),

then either Party shall have the right to terminate any or all of the applicable Services Requests by giving 90 days' prior written notice of termination to the other Party whereupon the specified Services or this Agreement shall terminate as of the effective date of termination specified in the notice. Notwithstanding the provision in the sentence immediately above, the applicable Party shall provide as much advance notice to the other Party as reasonably possible (and no less than 90 days) in the circumstances of its intent to terminate any specified Services or this Agreement in accordance with this Section 10.03.

10.04 CHANGE OF CONTROL OF UTILITIES

In the event of a Change of Control in Utilities, the entity to which control has passed may by delivery of written notice terminate any or all of the Services or this Agreement effective immediately.

10.05 CONSEQUENCES OF TERMINATION

Upon termination of any or all of the Services under this Agreement or upon termination of this Agreement for any reason:

- (a) the relevant provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for any billings, adjustments and payments related to the period prior to termination;
- (b) with respect to termination of a Service, Services or this Agreement in accordance with Section 10.02 only, the Party exercising its termination rights under Section 10.02 shall pay to the other Party a sum equal to: (i) such other Party's actual, reasonable and demonstrable demobilization costs and/or deposits paid to its subcontractors, as demonstrated by documentation reasonably requested by the Party exercising its rights under Section 10.02; less (ii) any recordable deposits paid to such other Party's subcontractors.
- (c) the termination shall not affect any rights or obligations which may have accrued prior to such termination or any other rights which the terminating Party may have arising out of the termination or the event giving rise to the termination and shall not affect the continuing obligations of either Parties under this Agreement which are expressed to continue after termination of this Agreement; and
- (d) except as provided in Sections 10.05(a) and 10.05(c), the terminating Party shall have no liability whatsoever to the other Party arising from such termination. For

greater certainty, the terminating Party shall have no liability whosoever to the other Party for any special, incidental, indirect or consequential damages, lost business revenue, loss of profits, failure to realize expected profits or savings, or any damages or losses, whether based on breach of contract or tort (including negligence) or otherwise, even if the Party causing such loss or damages has been advised of the possibility of same, which the other Party may incur as a result of the termination.

ARTICLE 11

CONFIDENTIALITY AND INTELLECTUAL PROPERTY

11.01 CONFIDENTIAL INFORMATION

Each Party (the “**Receiving Party**”) shall maintain in strict confidence any and all information about the business or operations or customers of the other Party or any of their Affiliates, which it acquires in any form from the other Party (the “**Disclosing Party**”) by virtue of this Agreement (“**Confidential Information**”) and will not disclose to any third party or make use of such Confidential Information (except for the purposes of this Agreement) for itself or any third party without the prior written consent of the Disclosing Party, except as permitted herein and except where required by Applicable Law. Notwithstanding the foregoing, “**Confidential Information**” shall not include information which:

- (a) is in the public domain at the time of its disclosure to the Receiving Party or which thereafter enters the public domain otherwise than by any breach of this Agreement;
- (b) is already known to or in the possession of the Receiving Party at the time of its disclosure by the Disclosing Party as evidenced by the Receiving Party’s records;
- (c) is lawfully acquired at any time by the Receiving Party without restrictions from a third party without breach of confidentiality by such third party; or
- (d) required to be disclosed under Applicable Law, judicial decision or by order, decree, rule, regulation or requirement of any Governmental Authority,

provided no “**Confidential Information**” may be disclosed if it consists of information that is “confidential information” of Utilities for purposes of the Affiliate Relationships Code.

11.02 PERMITTED DISCLOSURE

Notwithstanding Section 11.01,

- (a) the Parties hereby acknowledge and agree that Utilities may be obligated to disclose Confidential Information relating to this Agreement to the OEB and any other Governmental Authority to which Utilities may be required to report in connection with filing a rate application with the OEB, under the Affiliate

Relationships Code, the Reporting and Record Keeping Requirements or in accordance with any other Applicable Law;

- (b) the Parties hereby acknowledge that they are both subject to MFIPPA and that as a result either Party may be required to disclose Confidential Information concerning this Agreement or the other Party in accordance with the provisions of MFIPPA;
- (c) in the event that a Receiving Party is required by law to disclose any Confidential Information to a Governmental Authority, or any other person, including, without limitation, any disclosure required pursuant to a request under MFIPPA, such Party may so disclose; provided that it shall, to the extent permitted by Applicable Law, first inform the Disclosing Party of the request or requirement for disclosure to allow an opportunity for the Disclosing Party to apply for an order to prohibit or restrict such disclosure;
- (d) the City acknowledges and agrees that the use and disclosure of any information relating to the customers of Utilities is governed by requirements of the *Ontario Energy Board Act, 1998*, and regulations, licences, codes and procedures established by the OEB (“**OEB Requirements**”). The City acknowledges and agrees that if any of Utilities’ Confidential Information relating to its smart sub-metering providers, wholesalers, consumers, retailers or generators is disclosed to the City or its Representatives hereunder, the City shall strictly comply, and shall cause its Representatives to strictly comply with the OEB Requirements, the requirements, policies or procedures of Utilities, the Affiliate Relationship Code, MFIPPA and all other Applicable Law; and
- (e) Utilities agrees and acknowledges that if any Personal Information is disclosed by the City to Utilities or its Representatives, Utilities shall strictly comply and shall cause its Representatives to strictly comply with the requirements of MFIPPA and such other requirements, policies or procedures of the City related to or arising from such disclosures, and all other Applicable Law.

11.03 LIABILITY FOR BREACH

Except for disclosures made pursuant to Section 11.02, as required by Applicable Law or any Governmental Authority or as required to fulfil the terms of this Agreement, each Party shall be responsible for any breach of this Agreement by the Party, its Representatives and any person to whom it discloses any Confidential Information or Personal Information. The Parties agree that a Disclosing Party would be irreparably injured by a breach of this Agreement by a Receiving Party or by any person to whom it discloses any Confidential Information or Personal Information and that monetary damages would not be a sufficient remedy. Therefore, in such event, the Disclosing Party shall be entitled to equitable relief, including injunctive relief without proof of actual damages, as well as specific performance. Such remedies shall not be deemed to be exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available at law or equity.

11.04 RETURN OF CONFIDENTIAL INFORMATION

Subject to Applicable Law, upon completion or termination of this Agreement, or upon ten (10) days written notice from the Disclosing Party requesting return or destruction of any or all Confidential Information, the Receiving Party shall forthwith return to the Disclosing Party or destroy, without retaining any copies thereof unless otherwise required by Applicable Law, all such Confidential Information.

11.05 INTELLECTUAL PROPERTY

- (a) As between the Service Provider and the Service Recipient, (i) the Service Provider shall own all Service Provider Background IP, and the Service Recipient acknowledges that it does not have and will not acquire any right, title or interest in or to any Service Provider Background IP under this Agreement; and (ii) the Service Recipient shall own all Service Recipient Background IP, and the Service Provider acknowledges that it does not have and will not acquire any right, title or interest in or to any Service Recipient Background IP under this Agreement.
- (b) With respect to particular Services and as between the Service Provider and the Service Recipient, the Service Recipient shall own the Service Results and IP. The Service Provider agrees to assign, to the Service Recipient any and all right, title and interest in the Service Results and IP, and shall execute such documents and do all other acts and things as may be reasonably deemed necessary by the Service Recipient to effectuate all such right, title and interest. The Service Recipient will not take any action inconsistent with such right, title and interest.
- (c) To the extent that Service Provider Background IP is incorporated into the Service Results and IP, Service Provider grants to Service Recipient a fully paid, non-exclusive, irrevocable, royalty-free worldwide license, with a right of sublicense, to use such Service Provider Background IP to the extent necessary for Service Recipient to enjoy full benefit of its rights to the Service Results and IP.
- (d) During the Term, Service Recipient grants to Service Provider a non-exclusive license to use the Service Recipient Background IP and any Service Results and IP solely for the performance of the Services or to otherwise perform its obligations under this Agreement.

ARTICLE 12

FORCE MAJEURE

12.01 FORCE MAJEURE

Except for the payment of any monies required hereunder, neither Party shall be deemed to be in default of this Agreement where the failure to perform or the delay in performing any obligation is due to a cause beyond its reasonable control, including, but not limited to, an act of God, act of any Governmental Authority, civil commotion, acts of terrorism including threatened acts, strikes, lockouts and other labour disputes, fires, floods, sabotage, earthquakes, ice storms,

tornado, severe and imminent weather warnings and conditions, and epidemics (each, a “**Force Majeure Event**”).

12.02 NOTICE OF FORCE MAJEURE

Once a Party becomes subject to an event of Force Majeure, it shall promptly, but in no circumstance later than five (5) Business Days after the commencement of a Force Majeure Event, notify the other Party of its inability to perform, or of any delay in performing, its obligations under this Agreement due to a Force Majeure Event and shall provide an estimate, as soon as practicable, as to when the obligation will be performed. The Party subject to the Force Majeure Event shall also continue to furnish timely reports to the other Party with respect to the Force Majeure Event during the continuation of the said event and the said Party shall exercise all commercially reasonable efforts to mitigate or limit damages to the other Party. The Party subject to the Force Majeure Event shall use its best efforts to continue to perform its obligations under this Agreement and to correct or cure the event or condition excusing performance and when the said Party is able to resume performance of its obligations thereunder, it shall give the other Party written notice to that effect and shall promptly resume performance thereunder. The time for performing the obligation shall be extended for a period equal to the time during which the Party was subject to the Force Majeure Event. The Parties shall explore all commercially reasonable avenues available to avoid or resolve Force Majeure Events in the shortest time possible.

12.03 EXCLUSIONS

- (a) A Party shall not be entitled to invoke force majeure under this ARTICLE 12, nor shall it be relieved of its obligations hereunder in any of the following circumstances:
 - (i) if and to the extent the Party seeking to invoke Force Majeure has caused the applicable Force Majeure Event by its fault or negligence;
 - (ii) if and to the extent the Party seeking to invoke force majeure has failed to use reasonable efforts to prevent or remedy the Force Majeure Event and remove, so far as possible and within a reasonable time period, the Force Majeure Event (except in the case of strikes, lockouts and other labour disturbances, the settlement of which shall be wholly within the discretion of the Party involved);
 - (iii) if and to the extent that the Party seeking to invoke force majeure because of arrest or restraint by a Governmental Authority, such arrest or restraint was the result of a breach by such Party of Applicable Laws;
 - (iv) if the Force Majeure Event was caused by economic hardship, a lack of funds or other financial cause of a Party;
 - (v) if the Party invoking force majeure fails to comply with the notice provisions in Section 12.02, unless no undue prejudice is experienced by the Party being notified; or

- (vi) if the failure to perform or comply with any of the covenants or obligations herein imposed upon a Party was caused by the acts or omissions of third Persons for which the Party is responsible, including any Affiliate of a Party, or any direct or indirect vendor, supplier or contractor of a Party, unless such acts or omissions are themselves caused by reason of a Force Majeure Event.
- (b) Notwithstanding Sections 12.01 and 12.02, the settlement of any strike, lockout, restrictive work practice or other labour disturbance constituting a Force Majeure Event shall be within the sole discretion of the Party involved in such strike, lockout, restrictive work practice or other labour disturbance and nothing in Sections 12.01 and 12.02 shall require the said Party to mitigate or alleviate the effects of such strike, lockout, restrictive work practice or other labour disturbance.

ARTICLE 13

DISPUTE RESOLUTION

13.01 DISPUTES

Any controversy, dispute, difference, question or claim arising between the Parties in connection with the interpretation, performance, construction or implementation of this Agreement that cannot be resolved by a director or manager from each Party (collectively, a “**Dispute**”), shall be settled in accordance with this ARTICLE 13.

13.02 NOTICE OF DISPUTE

The aggrieved Party shall send the other Party written notice identifying the Dispute, the amount involved, if any, and the remedy sought, and invoking the procedures of this Article. A senior officer with authority to bind the City, as selected by the City in its discretion, and a senior officer with authority to bind Utilities, as selected by Utilities in its discretion, shall confer in an effort to resolve the Dispute. If the Dispute cannot be resolved in accordance with this Section 13.02 within thirty (30) days of the date the Dispute arose, the Dispute shall be resolved by binding arbitration in accordance with Sections 13.03 and 13.04.

13.03 APPOINTMENT OF ARBITRATOR

The Parties shall submit any arbitration under this Article to a single arbitrator agreed upon by both Parties. If the Parties cannot agree upon a single arbitrator within ten (10) days after the Dispute is referred to arbitration, either Party may apply to the Court for appointment of an Arbitrator pursuant to the *Arbitration Act, 1991* (Ontario) as amended from time to time. Any arbitrator selected or appointed to act under this Agreement shall be qualified by education, training and experience to pass on the particular question in Dispute and shall have no connection to either of the Parties other than acting in previous arbitrations.

13.04 ARBITRATION PROVISIONS & DIRECTIONS

The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The arbitration shall be conducted in the City of Windsor, Ontario unless the Parties agree otherwise. The decisions of the arbitrator shall be made in writing and shall be final and binding on the Parties as to the questions submitted and the Parties shall have no right of appeal therefrom. All costs and expenses relating to a Dispute which is finally determined or settled by arbitration, including reasonable legal fees, will be borne by the Party determined by the Arbitrator to be liable in respect of such Dispute; provided, however, that if complete liability is not assessed against only one Party, the Parties will share the total costs in proportion to their respective amounts of liability so determined by the Arbitrator. Notwithstanding the provisions to arbitrate any Dispute hereunder, either Party may seek from a court any equitable relief (including, without limitation, injunctive relief) that may be necessary to protect such Party's rights.

ARTICLE 14 **GENERAL**

14.01 CHANGES TRIGGERING NEGOTIATION OF AMENDMENTS

In the event that through amalgamation or otherwise, the City or Utilities serves a materially larger or materially smaller populace, the Parties agree to negotiate diligently and in good faith any amendments to this Agreement necessary or advisable in connection with such event including the possibility of an early termination.

14.02 ASSIGNMENT

Neither Party shall, without the prior approval of the other Party which shall not be unreasonably withheld, assign or transfer its interest in this Agreement. Except as otherwise provided, this Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this section shall be void.

14.03 NOTICES

All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

- (a) if to Utilities:

787 Ouellette Avenue
P.O. Box 1625, Station "A"
Windsor, Ontario N9A 5T7
Attention: Corporate Secretary

Fax: (519) 255-2767

- (b) if to City:

350 City Hall Square West
Windsor, Ontario N9A 6S1
Attention: City Clerk

Fax: (519) 255-6868

and may be delivered to the other Party's address by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address for notification purposes by giving the other Party notice of the new address and the date upon which it will become effective in accordance with the terms of this Section 14.03. A notice shall be deemed to have been received as of the date of receipt by the Party to whom the notice is addressed. The Parties also contemplate and approve delivery of notices and documents electronically by fax or by email, and subject to verification of receipt by the other Party, such notices and documents shall be deemed for all purposes to be original documents in writing.

14.04 SEVERABILITY

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such remaining provision or remaining applicability of this Agreement shall be valid and enforceable to the extent permitted by law.

14.05 WAIVER

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

14.06 ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement among the Parties with respect to the Services, and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

14.07 AMENDMENTS

No amendment to, or change, waiver or discharge of any provision of this Agreement shall be valid unless in writing and signed by authorized Representatives of each Party.

14.08 GOVERNING LAW

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, excluding their rules governing conflicts of laws. Subject to ARTICLE 13, the Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attach to the jurisdiction of such courts.

14.09 SURVIVAL

Section 4.01, Section 4.02, ARTICLE 5, ARTICLE 7, ARTICLE 8, Section 10.05, ARTICLE 11, ARTICLE 13, and Section 14.08 shall survive termination of this Agreement and shall remain in full force and effect.

14.10 THIRD PARTY BENEFICIARIES

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

14.11 COVENANT OF FURTHER ASSURANCES

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

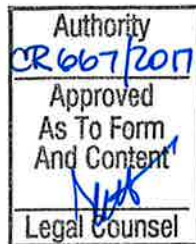
14.12 COVENANT OF FURTHER ASSURANCES

This Agreement may be executed in counterparts which, taken together, shall constitute a single instrument. Execution of this Agreement by facsimile, .pdf or electronic signature and transmitted by fax machine or electronic mail shall be treated in all manner and respects as an original document. Any such fax or e-mail document shall be considered to have the same binding legal effect as an original document.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above by their duly authorized signing officers in that regard.

SIGNED, SEALED AND DELIVERED



)
)
) **THE CORPORATION OF THE CITY OF**
) **WINDSOR**
)
)
)

A blue ink signature of Onorio Colucci.

) Name: Onorio Colucci
) Title: Chief Administrative Officer
)
)

A blue ink signature of Valerie Critchley.

) Name: Valerie Critchley
) Title: City Clerk
)
)

) *We have authority to bind the Corporation of the*
) *City of Windsor.*
)
)
)

) **ENWIN UTILITIES LTD.**
)
)
)

A blue ink signature of Helga Reidel.

) Name: Helga Reidel
) Title: President and CEO
)
)

A blue ink signature of Byron Thompson.

) Name: Byron Thompson
) Title: Vice President, Finance and CFO
)
)

) *We have authority to bind Enwin Utilities Ltd.*

SCHEDULE A
FORM OF SERVICE SCHEDULE

ENWIN UTILITIES LTD.

and

THE CORPORATION OF THE CITY OF WINDSOR

MASTER SERVICES AGREEMENT

SERVICE SCHEDULE NUMBER __ [INSERT NUMBER]

This Service Schedule Number __ **[Insert Number]** dated _____ **[Insert Date]** is issued pursuant to, and subject to all the terms and conditions of the Master Services Agreement dated ■ (the “**Agreement**”) between Enwin Utilities Ltd. and The Corporation of the City Of Windsor. The issuer of this Service Schedule is _____ **[Specify either Utilities or the City]** (the “**Recipient**”) and the Service provider is _____ **[Specify either Utilities or the City]** (the “**Provider**”). The Parties agree that, except as otherwise expressly stated in this Service Schedule, this Service Schedule is governed by, and subject to all the terms and conditions of the Agreement.

Capitalized terms that are used but not otherwise defined in this Service Schedule shall have the meaning ascribed thereto in the Agreement.

1. Description of Services

The Provider shall deliver the following Services to the Recipient:

■ **[Insert scope]**

(collectively, the “**Scope of Services**”)

2. Schedule

Commencement Date: _____.

Anticipated Completion Date: _____.

3. Fees

In accordance with the Cost Recovery Methodology agreed to between the Parties and **[Insert Option 1 or Option 2 below]**.

[OPTION 1 – Fixed Fee model][in consideration for the completion of the Scope of Services, the Recipient shall pay the Provider \$■. The Provider shall invoice the Recipient and the Recipient shall pay the Provider pursuant to the terms of the Agreement.]

[OPTION 2 – Hourly Fee model][in consideration for the completion of the Scope of Services, the Recipient will be compensated according to the rates set forth below:

The Provider estimates the Work will require ■ hours at a cost of \$■ per hour. Compensation for the Work, including reimbursable expenses shall not exceed \$■ without the Recipient's prior written approval.

The Provider shall invoice the Recipient and the Recipient shall pay the Provider pursuant to the terms of the Agreement. For reimbursable expenses, the Provider must furnish the Recipient approved time sheets and receipts for expenses.]

4. Representatives

All correspondence shall be directed to the following:

The Provider's representative for the Scope of Services is _____,
Address: _____, Telephone: _____,
Title: _____, Email: _____, [Insert details.]

The Recipient's representative for the Scope of Services is _____,
Address: _____, Telephone: _____,
Title: _____, Email: _____, [Insert details.]

5. Annual Review

The Services described in Section 1 above shall be subject to an annual review to be held by the Parties on or about each anniversary of the Commencement Date on the basis of the following performance metrics:

[Insert applicable performance metrics. Typical performance metrics would include: (i) Fee analysis (i.e., did actual costs exceed estimates and how this compares to prior years); (ii) results analysis to assess whether scope of work was fully complied with; and (iii) internal and external surveys to qualitatively assess performance and receive input on means of improving the delivery of Services in the future.]

6. Termination Notice Period

[Insert if applicable. Agreement provides for 90 days prior notice of the termination of any Services.]

7. Waiver of Specific Terms and Conditions of the Agreement

[Insert any terms and conditions of the Agreement that will not apply to the Services described in Section 1 above.]

8. Other Terms

[Insert any special provisions here (if required). For example, this Service Schedule may require additional insurance requirements, certain permitting requirements, training requirements, reporting requirements, credit support (e.g., letters of credit, bonds or a holdback), changes to the terms of the Warranty, etc.]

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above by their duly authorized signing officers in that regard.

ENWIN UTILITIES LTD.

**THE CORPORATION OF
THE CITY OF WINDSOR**

By: _____

By: _____

Name:

Name:

Title:

Title:

By: _____

By: _____

Name:

Name:

Title:

Title:

Date: _____

Date: _____



ATTACHMENT 4 - N

Service Level Agreement – EWU/EWE

MASTER SERVICES AGREEMENT

ENWIN UTILITIES LTD.

- and -

ENWIN ENERGY LTD.

October 10, 2017

MASTER SERVICES AGREEMENT

This Master Services Agreement made to take effect as and from the first day of November, 2017 (the “**Effective Date**”)

BETWEEN:

ENWIN UTILITIES LTD.

a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter referred to as “**Utilities**”)

- and -

ENWIN ENERGY LTD.

a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter referred to as the “**Energy**”)

RECITALS

1. Utilities distributes electricity to customers in the City of Windsor, and is regulated by the Ontario Energy Board (the “**OEB**”) and must comply with the terms of its Distribution Licence.
2. Energy, as a subsidiary of Windsor Canada Utilities Ltd. which in turn is the sole shareholder of Utilities, is an Affiliate of Utilities for purposes of the Affiliate Relationships Code, and therefore any service provided by Energy to Utilities or by Utilities to Energy (and any terms and conditions related thereto) must be provided in accordance with the Affiliate Relationships Code.
3. The Parties wish to enter into this Agreement to establish the general terms and conditions that shall apply to Service Schedules for the performance of certain services, as set out in Service Schedules, by: (a) Utilities for the benefit of Energy; and (b) Energy for the benefit of Utilities.

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereto confirm the accuracy of the recitals above which are incorporated into this Agreement by reference, and further agree as follows:

ARTICLE 1 **INTERPRETATION**

1.01 DEFINITIONS

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

“Actual Completion Date” means, with respect to a Service, the date on which the Service was completed in accordance with Section 3.02(b);

“Affiliate” has the meaning ascribed to such term in the Affiliate Relationships Code;

“Affiliate Relationships Code” means the Affiliate Relationships Code for Electricity Distributors and Transmitters issued by the OEB, as amended from time to time;

“Agreement” means this Master Services Agreement between Utilities and Energy, including all Service Schedules issued in connection therewith. This Master Services Agreement and all Service Schedules are intended to be construed as a single unified and harmonious instrument;

“Applicable Law” means, collectively, all applicable laws, treaties, statutes, codes, codes of conduct, ordinances, decrees, rules, regulations, including, without limitation, policies, codes or guidelines of a Governmental Authority, judicial, administrative, ministerial, departmental or regulatory judgments, orders, decisions, directives or rulings and conditions of any licence, permit, certificate, registration, authorization, consent or approval applicable to this Agreement or the subject matter hereof which in each case is binding in nature and enforceable against a Party;

“Business Day” means any day other than a Saturday or Sunday or a statutory or bank holiday in the Province of Ontario or a date observed by either of Energy or Utilities as a holiday;

“Change of Control” means any change in the control of the assets or shares of Utilities or Energy pursuant to which the assets and operations of Utilities or Energy are in the control of a third party to this Agreement, whether such change occurs by way of a sale, transfer, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, redemption or otherwise;

“Claims” has the meaning ascribed to such term in Section 7.01;

“Confidential Information” has the meaning ascribed to such term in Section 11.01;

“Cost Recovery Methodology” has the meaning ascribed to such term in Section 5.03;

“Disclosing Party” has the meaning ascribed to such term in Section 11.01;

“Dispute” has the meaning ascribed to such term in Section 13.01;

“Effective Date” has the meaning ascribed to such term in the Preamble;

“Energy” has the meaning ascribed to such term in the Preamble;

“Event of Default” has the meaning ascribed to such term in Section 9.01;

“Fees” has the meaning ascribed to such term in Section 5.01;

“Force Majeure Event” has the meaning ascribed to such term in Section 12.01;

“Good Utility Practices” means any of the practices, methods and activities adopted by a significant portion of the North American utility industry as good practices applicable to performance of Services of similar type or any of the practices, methods or activities which, in the exercise of skill, diligence, prudence, foresight and reasonable judgement, in light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and Applicable Laws. Good Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather are intended to delineate acceptable practices, methods, or acts generally accepted in the North American utility industry;

“Governmental Authority” means any court or governmental ministry, department, tribunal, commission, board, bureau, agency, or instrumentality of Canada, or of any province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing having or purporting to have jurisdiction over the Services or over any Party to this Agreement, including, for greater certainty, the OEB, the IESO, the Privacy Commissioner of Canada, and the Information and Privacy Commissioner of Ontario, and their successors and any person acting under the authority of a Governmental Authority.

“IESO” means the Independent Electricity System Operator for Ontario;

“Indemnified Party” has the meaning ascribed to such term in Section 7.01;

“Indemnifying Party” has the meaning ascribed to such term in Section 7.01;

“Intellectual Property” means any discovery, invention, formulation, know-how, method, technological development, industrial design, enhancement, modification, improvement, work of authorship, computer software and documentation thereof, data or collection of data, whether patentable or not, or susceptible to copyright or any other form of legal protection, and includes Confidential Information;

“MFIPPA” means the *Municipal Freedom of Information and Protection of Privacy Act* of Ontario, as amended from time to time;

“Minimum Retention Period” means a mandatory retention period of at least six (6) years, calculated from the end of the last calendar year to which the applicable record relates, as required under the Mandatory Record Retention Period Policy for Regulatory Entities (File No. EB-2015-0247) published by the OEB (as may be amended or restated);

“OEB” has the meaning ascribed to such term in the Recitals and any successor thereto;

“OEB Requirements” has the meaning ascribed to such term in Section 11.02(d);

“Parties” means Utilities and Energy and any reference to a Party includes its successors and permitted assigns; and **“Party”** means either of Utilities or Energy;

“Personal Information” has the meaning ascribed to such term in the MFIPPA;

“Prime Rate” means a rate of interest per annum equal to the late payment interest rate on Utilities’ tariff of rates and charges approved by the OEB and then in effect;

“Prior Agreements” has the meaning ascribed to such term in Section 2.02(a);

“Prior Services” has the meaning ascribed to such term in Section 2.02(b);

“Receiving Party” has the meaning ascribed to such term in Section 11.01;

“Representatives” in reference to a Party, means, as applicable, the Party’s mayor, councillors, directors, officers, commissioners, employees, agents and contractors;

“Service Provider” means the Party performing Service(s) pursuant to a Service Schedule;

“Service Recipient” means the Party receiving Service(s) pursuant to a Service Schedule;

“Service Provider Background IP” means all Intellectual Property (a) owned or licensed by Service Provider as of the Effective Date or (b) acquired or licensed by Service Provider from a third party after the Effective Date, (c) developed or created by the Service Provider (alone or jointly) other than in the course of the Services, and (d) all improvements, variations, modifications or enhancements of the Intellectual Property described in (a), (b) or (c) above developed or created by, or on behalf of, Service Provider after the Effective Date that does not constitute Service Results and IP;

“Service Recipient Background IP” means all Intellectual Property (a) owned or licensed by Service Recipient as of the Effective Date or (b) acquired or licensed by Service Recipient from a third party after the Effective Date, and (c) developed or created by the Service Recipient (alone or jointly) other than in the course of the Services, and (d) all improvements, variations, modifications or enhancements of the Intellectual Property described in (a) and (b) above conceived, discovered, invented, made or first reduced to practice by, or on behalf of, Service Recipient after the Effective Date that does not constitute Service Results and IP;

“Service Results and IP” means any data, formulae, outcomes or other results produced in the course of the Services and any Intellectual Property conceived, discovered, invented, made or first reduced to practice in the course of the Services, either alone or jointly by the parties, that is not Service Provider Background IP or Service Recipient Background IP;

“Service Schedule” means a request for services, substantially in the form attached hereto as Schedule A, executed by the Parties;

“Services” has the meaning ascribed to such term in Section 3.01;

“Settlement Period” has the meaning ascribed to such term in Section 2.02(b);

“Term” has the meaning ascribed thereto in Section 2.01;

“Utilities” has the meaning ascribed to such term in the Preamble; and

“Warranty Period” means, with respect to a Service, the period ending on the first anniversary of the Actual Completion Date, subject to any specific exceptions contained in any Service Schedule.

1.02 CONSTRUCTION OF AGREEMENT

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated there under, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;
- (c) **“includes”** or **“including”** shall mean includes (or as applicable, including) without limitation;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded; and if the last day of such period is not a Business Day, the period shall end on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, Subsections and Schedule(s), the provision of a table of contents and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the terms and conditions hereof are the result of negotiations between the Parties and the Parties therefore agree that this Agreement shall not be construed in favour of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement; and
- (j) The order of priority of the various documents or portions thereof which comprise this Agreement is as follows, in descending order of priority:
 - (i) the body of this Agreement;

- (ii) each Service Schedule; and
- (iii) any addendums, amendments, attachments or exhibits to the Service Schedule expressly agreed upon in writing by the Parties and referenced in the Service Schedule.

1.03 SCHEDULES OF SERVICES

The Schedules set out below are attached to and form part of this Agreement, as may be amended by the Parties by mutual agreement from time to time:

<u>Schedule</u>	<u>Description</u>
A	Form of Service Schedule

1.04 PURPOSE OF AGREEMENT

The purpose of this Agreement is to establish terms and conditions for all services to be performed by Energy for the benefit of Utilities or by Utilities for the benefit of Energy, other than those services that are provided pursuant to a separate agreement between Energy and Utilities.

ARTICLE 2 TERM

2.01 TERM

The term of this Agreement shall commence on the Effective Date and, unless terminated or abbreviated pursuant to ARTICLE 10, shall remain in effect for a period of five (5) years (the “**Term**”). The Term shall be automatically renewed for successive one (1) year periods unless either Party delivers written notice of its intention to terminate this Agreement no later than 60 days prior to the expiration of the then applicable Term.

2.02 TERMINATION OF PRIOR AGREEMENTS

- (a) In the event that, immediately preceding the Effective Date, either Party was providing Services to the other Party (collectively, “**Prior Services**”) pursuant to formal or informal arrangements effected verbally or in writing (collectively, “**Prior Agreements**”), the Parties agree that such Prior Agreements shall terminate on the Effective Date.
- (b) Any settlement of accounts in relation to a Prior Agreement shall be completed within 90 days of the Effective Date (the “**Settlement Period**”). Upon expiration of the Settlement Period, all accounts in relation to the Prior Agreements shall be deemed to be fully settled and closed. The Parties acknowledge and agree that any failure by either Party to terminate or fulfil its obligations pursuant to a Prior Agreement or any action associated therewith shall not delay, hinder, modify, or

invalidate any provision of this Agreement.

ARTICLE 3

SERVICES

3.01 SERVICES

- (a) Subject to the terms, covenants and conditions contained in this Agreement, each Party shall provide or cause to be provided, the services described in a Services Schedule (collectively, the “**Services**”).
- (b) Either Party may, from time to time during the Term, deliver a written request to the other Party for the Parties to negotiate a Services Schedule substantially in the form attached hereto as Schedule A that is populated with the applicable scope of services, Fee and other such relevant information. Such notice shall include an initial draft of the Services Schedule. Upon receipt of a written request, the Parties agree that they shall negotiate a Services Schedule in good faith and shall use commercially reasonable efforts to agree upon the Cost Recovery Methodology and execute such Services Schedule within 20 Business Days of the date the initial written request is delivered or within such time period as otherwise may be agreed to by the Parties in writing.
- (c) Unless the Parties agree expressly in writing to waive any of the terms and conditions of this Agreement, a Service Schedule shall incorporate the provisions of this Agreement.

3.02 PROVISION OF SERVICES

- (a) Each Party shall be responsible for the provision of the applicable Services provided hereunder pursuant to a Service Schedule and the methods employed in providing the same, and represents and warrants that such Services being provided by the Party shall be provided in a diligent, competent, and professional manner to commercially reasonable standards, including but not limited to ensuring that the Services are performed in accordance with Applicable Law and Good Utility Practices.
- (b) Upon the Service Provider notifying the Service Recipient in writing that Services under a Service Schedule have been completed, the Service Recipient shall confirm in writing that completion has been achieved with respect to the Services within 10 Business Days of the date that the written notice is received by the Service Recipient, unless the Service Recipient (acting reasonably and in good faith) otherwise provides written notice to the Service Provider of its failure to achieve completion (including appropriate details supporting same), in which case the Service Provider shall complete such additional items as are set out in the notice provided by the Service Recipient. Once all such additional items are completed, the Service Provider shall notify the Service Recipient in writing in accordance with this Section 3.02(b). This process shall be repeated on an

iterative basis until completion of the Services is achieved in accordance with the foregoing provisions of this Section 3.02(b). Any Dispute respecting the achievement of completion will be dealt with in accordance with the dispute resolution provisions set out in ARTICLE 13. If the Service Provider notifies the Service Recipient of completion of the Services in accordance with this Section 3.02(b), and the Service Recipient fails to respond in accordance with this Section 3.02(b) within 10 Business Days of the date that the written notice is received by the Service Recipient, the Service Provider shall deliver a written reminder of its request for confirmation of completion to Service Recipient. If the Service Recipient fails to respond to the second notice and any further notices provided thereafter, within two Business Days, completion shall be deemed to have been achieved with respect to the Services.

- (c) During the Warranty Period, if either Party discovers any defect or deficiency relating to the Services, which defect or deficiency renders such Services to be not compliant with the provisions of Section 3.02(a), such Party shall promptly notify the other Party in writing of the nature of such defect or deficiency and the Services affected. Upon such notice, the Service Provider shall, to the extent such defect or deficiency is caused by or affects the Services it performs under this Agreement, propose to the Service Recipient a reasonably detailed schedule and remedial plan describing the remedial work to be performed by the Service Provider (including, for clarity, re-performance of the Services as reasonably necessary to address such defect or deficiency) and, upon the Service Recipient providing its consent (which shall not be unreasonably withheld or delayed), perform the remedial work at its sole cost and expense.

3.03 RELATIONSHIP

Notwithstanding the Affiliate relationship deemed to exist between the Parties pursuant to the Affiliate Relationships Code, in performing Services, each Party shall operate as an independent contractor and not as an agent of the other Party, and shall maintain its own organization as a distinct and separate legal entity from the other Party. Neither Party shall have the authority to legally bind the other Party in performing the Services without the prior written authority from the other Party to do so. Nothing in this Agreement shall be deemed to constitute a partnership or a joint venture or to create any fiduciary relationship between the Parties in relation to the Services.

3.04 MODIFICATIONS TO THE SERVICES

Either Party may from time to time request that the Parties amend a Services Request to modify the agreed upon scope of services. If the Parties are able to mutually agree on such amendment, the Parties shall formalize the amendment in writing.

ARTICLE 4

RESPONSIBILITIES

4.01 RECORDS MAINTENANCE & AUDIT RIGHTS

- (a) Each Party shall maintain all relevant records relating to the performance of the Services for the Minimum Retention Period commencing on the applicable Actual Completion Date, or such longer period of time as may be required under Applicable Law. Each Party shall provide those records to the other Party upon request and without delay, including as and when a Party requires the records for purposes of complying with Applicable Law or for purpose of responding to a request from or in a proceeding under the authority of a Governmental Authority.
- (b) Each Party shall provide the other Party with the information reasonably required to enable the other Party to perform any business case study to assess or justify prospective or provided Services, subject always to the MFIPPA.
- (c) Concurrent with issuing any invoice or other charge for Services provided, the Service Provider shall provide to the Service Recipient a detailed breakdown of the Party's fully-allocated cost of providing the Services.
- (d) Either Party may, from time to time at its own expense, conduct an inspection or audit of the Services, including but not limited to: (i) the quality of the Services provided, (ii) Fees charged for the Services, (iii) the application of the cost allocation methodology supporting the Fees charged and (iv) all documents reasonably requested by a Party in connection with the calculation of the Fees. Each Party agrees to grant reasonable access by the other Party to its records and documents in connection with any such inspection or audit, including providing copies of documents and records reasonably requested by such Party.

4.02 CO-OPERATION

The Parties shall cooperate with each other during and after the Term: (a) to effect a smooth and orderly delivery of Services or the termination of this Agreement; and (b) with respect to audits or other inquiries, filings, reports and payment of taxes arising in connection with this Agreement, which may be required, initiated or requested from or by any duly authorized Governmental Authority. Subject to Applicable Law in respect of privacy and ARTICLE 11, each Party agrees to provide to the other Party documentation lawfully requested from the other Party by a Governmental Authority as may be required to satisfy the lawful request.

4.03 NOTIFICATION OF CHANGES OF CIRCUMSTANCES

The Parties shall promptly notify each other of any facts or changes or prospective changes in circumstances that might reasonably have a material effect on the performance of the Services, and shall use best efforts to consult with one another in this regard to the extent possible. A material change shall include, but not be limited to, any change which might reasonably require the other Party to incur an increase or decrease of more than 10% of the

resources required for performance or the costs being incurred in respect to any Service prior to the change.

4.04 NOTICE OF PROCEEDINGS

The Parties shall promptly give notice to each other of all actual or potential claims, proceedings, notices of regulatory non-compliance from any Governmental Authority, disputes (including labour disputes) or litigation which it reasonably believes could have an adverse effect on the fulfillment of any of the terms hereof by either Party (whether or not any such claim, proceeding, dispute or litigation is covered by insurance) in respect of its own operations of which any of them is aware. Subject to compliance with Applicable Law, including applicable privacy legislation, and ARTICLE 11, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such claims, proceedings, notices, disputes, or litigation, and any developments relating thereto.

4.05 PERMITS

Each Party shall, at its sole expense, obtain and maintain during the Term, all permits, certifications, licenses and other types of approvals required by it under Applicable Law to perform the Services and, upon request, shall provide the other Party with proof thereof.

4.06 INSURANCE

- (a) Insurance. Neither Party nor any of its subcontractors shall commence the performance of Services until such Party has obtained, at its own expense, the following minimum insurance coverage which it shall maintain in full force and effect for the duration of the Term:
 - (i) Commercial General Liability insurance with limits of at least \$10,000,000.00 per occurrence involving bodily injury, personal injury, death, or property damage, with the other Party listed as an additional insured and including a cross-liability provision, and coverage for completed operations, non-owned auto, tenant's legal liability, coverage for hazardous operations, and contractual liability;
 - (ii) Professional Liability/Errors and Omissions Insurance that has limits of not less than \$5,000,000 per claim. The policy must be in place continuously from the commencement of the Agreement until two (2) years after the expiration of the Term;
 - (iii) Workers' Compensation Insurance applicable in the Province of Ontario for the Services or any portion of the Services is to be performed. The applicable Party shall ensure that all subcontractors, suppliers, agents, and invitees also qualify and carry such required insurance before providing Services. In the event that a subcontractor is exempt from workers compensation laws or requirements, (1) a letter to this effect must be

written and signed by the workers compensation authority or applicable board for the jurisdiction in which the Services is to be performed, and delivered to the Parties prior to commencement of any Services and (2) the Commercial General Liability insurance required under Section 4.06(a)(i) is to include Employer's Liability coverage.

- (iv) Automobile Liability Insurance in compliance with any and all statutory motor vehicle liability requirements, for all owned, hired and non-owned vehicles in a Party's care, custody & control, with a Combined Single Limit of \$2,000,000 Bodily Injury Liability and Property Damage Liability per occurrence; and
- (v) Umbrella/Excess Liability Insurance may be in place to satisfy the insurance requirements set out in Section 4.06(a), where applicable

Neither Party shall cancel, allow to lapse or materially change in any way the insurance required pursuant to this Section 4.06(a) until 30 days after written notice of same is provided to the other Party. If a Party fails to provide or to maintain the insurance required by this Section 4.06(a), then the other Party shall have the right to provide and maintain such insurance, at the non-compliant Party's sole cost and expense.

- (b) Proof and Standard of Insurance. Proof of all insurance must be satisfactory in form and content to: (i) Energy's Vice President, Finance and CFO; and (ii) Utilities Vice President, Finance and CFO, as applicable, each acting reasonably. All insurance must be placed with carriers holding a minimum financial rating of A- or better with A.M. Best and with insurers licensed to underwrite insurance in Canada. No requirement above shall impose on either Party a duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the other Party, nor shall either Party be responsible for any representations or warranties made by the other Party to any insurance company or underwriter. All insurance shall be primary over and non-contributing with, and not in excess of, any other insurance held or obtained by the other Party.
- (c) Deductibles. Each Party shall be responsible for the deductible amounts owing under its insurance policies.

4.07 ACCESS BY SERVICE RECIPIENT AND HEALTH & SAFETY

Each Party, as the Service Provider, hereby acknowledges and agrees that the Service Recipient shall have reasonable access to the Service Provider's facilities, records and applicable documents, as are strictly required in connection with the Services provided by the Service Provider, provided that that Service Recipient shall be required to deliver prior written notice no less than 48 hours in advance of exercising its rights under this Section 4.07. When on the premises of a Party, the other Party's employees shall comply with all health and safety rules and regulations which are brought to their attention from time to time or about which they ought to be aware acting reasonably.

ARTICLE 5

FEES AND PAYMENTS

5.01 FEES

In consideration of the provision of Services, the Service Recipient shall pay to the Service Provider the fees set out in the applicable Service Schedule, as may be amended by the Parties in writing from time to time and as determined and adjusted from time to time in accordance with Section 5.03 (the “**Fees**”).

5.02 PAYMENT

- (a) Unless a more frequent payment schedule is provided for in the applicable Service Schedule, the Service Provider shall deliver a monthly invoice setting forth the aggregate Fees due by the Service Recipient in respect of each current Service Schedule.
- (b) the Service Recipient shall, within 30 days of the date after receipt of an invoice referred to in Section 5.02(a), notify the Service Provider of any amounts therein which the Service Recipient reasonably considers not properly due to the Service Provider, and the Service Recipient shall not be required to pay such disputed amounts until 30 days after such dispute is resolved.
- (c) Subject to Section 5.02(b), the Service Recipient shall pay the amounts set out in an invoice referred to in Section 5.02(a) in such manner as directed in the invoice within 30 days of the date of such invoice (unless expressly set out otherwise in the invoice, provided that the Service Provider shall not be permitted to require payment by the Service Recipient of an invoiced amount within a time period less than 30 days).

5.03 FULL COST RECOVERY

The Parties acknowledge that the Fees charged by Service Provider to the Service Recipient shall be no more than the fully-allocated cost for the Service Provider to provide the Service, which fully-allocated cost may include a return on invested capital that is (a) no higher than Utilities’ OEB-approved weighted average cost of capital in the case of Services being provided by Energy, and (b) no less than Utilities’ OEB-approved weighted average cost of capital in the case of Services being provided by Utilities, as determined in accordance with each Party’s methodology reasonably determined from time to time and always subject to Applicable Law (the “**Cost Recovery Methodology**”). Each Party shall deliver a document setting out its Cost Recovery Methodology to the other Party on or before execution of each Service Schedule and thereafter upon any change to the Cost Recovery Methodology. Energy further acknowledges that Utilities is a rate regulated entity and that any Services provided by Energy, and the recovery by Utilities of the costs of the Fees charged to Utilities, are subject to regulatory review by the OEB.

5.04 ANNUAL REVIEW & ADJUSTMENT TO FEES

The relationship between the Parties arising from this Agreement shall be subject to review by the Parties at least once annually, which review shall consider:

- (a) implementation of processes contemplated by this Agreement;
- (b) issues relating to performance of Services under this Agreement;
- (c) any changes in the cost in connection with a Party's compliance with Applicable Law affecting the provision of Services;
- (d) any changes to the nature or scope of the Services;
- (e) any decision by the OEB as it relates to Services provided or received pursuant to this Agreement; and
- (f) the Affiliate relationship and the requirements under the Affiliate Relationships Code for Services to be provided by Utilities to their Affiliates or received by Utilities from their Affiliates on the basis of the fully-allocated cost to provide the Services so as to avoid cross-subsidization between the Parties and any other matters relating to compliance with Affiliate Relationships Code requirements.

5.05 TAXES

Fees shall include any and all applicable taxes properly exigible on the supply of Services under this Agreement including any and all applicable taxes under the *Excise Tax Act* (Canada), sales taxes, value-added taxes or any other taxes (excluding income taxes).

5.06 LATE PAYMENT

If either Party fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a rate equal to the Prime Rate.

ARTICLE 6 **REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENT**

6.01 REPRESENTATIONS AND WARRANTIES OF UTILITIES

Utilities hereby represents and warrants to Energy as follows and acknowledges that Energy is relying on such representations and warranties in connection herewith:

- (a) Utilities is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;

- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) this Agreement has been duly executed and delivered by Utilities and constitutes a legal, valid and binding obligation of Utilities, enforceable against Utilities by Energy in accordance with its terms; and
- (d) Utilities has received, reviewed and approved for the purposes set out in this Agreement, Energy's Cost Recovery Methodology.

6.02 REPRESENTATIONS AND WARRANTIES OF ENERGY

Energy hereby represents and warrants to Utilities as follows and acknowledges that Utilities is relying on such representations and warranties in connection herewith:

- (a) Energy is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) the provision by Energy of Services pursuant to this Agreement complies with the Windsor Canada Utilities Ltd. shareholders directions to Energy;
- (d) Energy has received, reviewed and approved for the purposes set out in this Agreement, Utilities' Cost Recovery Methodology; and
- (e) this Agreement has been duly executed and delivered by Energy and constitutes a legal, valid and binding obligation of Energy, enforceable against Energy by Utilities in accordance with its terms.

ARTICLE 7 INDEMNIFICATION

7.01 INDEMNIFICATION

- (a) Each Party, on behalf of itself, its directors, officers, commissioners, elected officials, employees, volunteers, agents, successors, and assigns ("**Indemnifying Party**") agrees to indemnify and hold harmless the other Party, its directors, officers, commissioners, elected officials, volunteers, employees, agents, successors, and assigns ("**Indemnified Party**"), against any and all claims, demands, suits, losses, damages, liabilities, penalties, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest on, any and all actions, suits, proceedings for personal injury

(including death) or property damage, assessments, judgments, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (collectively, "**Claims**") arising out of or related to: (i) breaches of the Indemnifying Party's obligations contained in this Agreement, including but not limited to the disclosure of Confidential Information and/or Personal Information pursuant to Section 11.03; (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Indemnifying Party; and (iii) the negligent acts, negligent omissions, or wilful misconduct of the Indemnifying Party in connection with the performance of its obligations under this Agreement.

- (b) The indemnities provided for in Section 7.01(a) shall only apply if the Indemnified Party gives the Indemnifying Party prompt notice of any such Claim as soon as it is aware of a situation that may give rise to a Claim, and all requested and necessary information and assistance. The Indemnifying Party, at its option, may defend or settle such claim provided that the Indemnified Party may participate in such defense if the Indemnifying Party and the Indemnified Party's interest are divergent. The Indemnifying Party may not settle a Claim without consent of the Indemnified Party, such consent not to be unreasonably withheld, conditioned or delayed.
- (c) In the event that a Claim is the result of the contributory negligence of the Parties, the loss, liability and costs (including legal fees) associated with the defence and settlement of the Claim shall be borne by each Party in proportion to its negligence.
- (d) Neither Party shall, or shall permit its subcontractors to, file any lien or encumbrance in connection with the performance of such Party's Services except as solely as a result of the other Party's failure to make an undisputed payment when due in accordance with this Agreement. If any lien or encumbrance is filed in connection with the performance of the Services by the Party performing the Services or its subcontractors in violation of this Section 7.01(c), such Party shall, within five Business Days of the filing of any such lien or encumbrance, discharge or remove in accordance the Applicable Law and shall provide evidence of such discharge or removal to the other Party within five Business Days of the discharge or removal. If a Party fails to take such action within the time period provided by this Section 7.01(c), the other Party shall have the right, at its option, without notice to the failing Party, to maintain holdback from payments to such failing Party and to pay or settle such lien or encumbrance, and such failing Party shall, within two Business Days of receipt of a request by the other Party, reimburse the other Party for all actual reasonable costs and expenses incurred by the other Party in connection therewith. Any undisputed, past due payment required pursuant to this Section 7.01(c) shall accrue interest at the Prime Rate.

ARTICLE 8

LIMITATION OF LIABILITY

8.01 LIMITATION OF LIABILITY

Subject to Section 8.03, each Party's maximum aggregate liability for all Claims of any kind under this Agreement shall not exceed an amount equal to the average of the Fees invoiced by such Party in the three (3) years preceding the date of the Claim. The foregoing limitation of liability shall not apply to a Party's liability: (i) for fraudulent actions; or (ii) for its or its subcontractors willful misconduct or gross negligence, nor apply to any insurance proceeds received or which will be received by the Party pursuant to policies maintained in accordance with the terms of this Agreement or in the case the Party fails to maintain insurances required to be maintained hereunder, an amount equal to any insurance proceeds which would have been received pursuant to such insurance policies had such been maintained as required hereunder. The Parties acknowledge and agree that any of a Party's liability covered by the proceeds of the insurance maintained pursuant to ARTICLE 4 shall not reduce or be applied against the limit of liability set out in this Section 8.01.

8.02 CONSEQUENTIAL DAMAGES

Subject to Section 8.03, in no event shall either Party be liable to the other Party, irrespective of whether alleged to be by way of indemnity, as a result of breach of contract, breach of warranty, tort (including negligence), strict liability, or any other legal theory for damages that constitute consequential, incidental, special, indirect, exemplary or punitive damages of any nature whatsoever, except to the extent such damages are covered by insurance proceeds actually received pursuant to the applicable Party's insurance.

8.03 EXCEPTIONS TO LIMITATION

The exclusions and limitations of liability contained in Sections 8.01 and 8.02 shall not apply to liabilities arising from either party's indemnification obligations under ARTICLE 7 of this Agreement with respect to any damages, awards or other amounts payable to a third party in connection with a third party Claim.

ARTICLE 9

DEFAULT

9.01 DEFAULT

The occurrence of any one or more of the following shall constitute an event of default on the part of a Party (an "**Event of Default**"):

- (a) if the Service Recipient fails to pay any Fees set out in an invoice delivered pursuant to ARTICLE 5 and such default shall continue without being cured within 30 days following notice thereof to the Service Recipient by the Service Provider; and

- (b) breach of any material representation or warranty or failure to perform or observe any material covenant or obligation under this Agreement if such failure is not cured within 30 days following notice thereof (giving particulars of the failure in reasonable detail) from the non-defaulting Party or such longer period as may be reasonably necessary to cure such failure, provided that:
 - (i) the defaulting Party proceeds with all due diligence to cure or cause to be cured such failure; and
 - (ii) the failure can be reasonably expected to be cured or caused to be cured within a reasonable time frame acceptable to the non-defaulting Party, acting reasonably.

ARTICLE 10

TERMINATION RIGHTS

10.01 TERMINATION ON DEFAULT

Upon the occurrence of an Event of Default under this Agreement which is not cured within the permitted time period specified in Section 9.01, the non-defaulting Party shall have the right to terminate this Agreement by delivering written notice of termination to the defaulting Party whereupon this Agreement shall terminate as at the effective date of termination specified in the notice.

10.02 TERMINATION ON NOTICE

- (a) Either Party may terminate this Agreement at any time during the Term by delivering written notice to the other Party no less than 180 days in advance of the stated termination date set out in the notice.
- (b) Either Party may terminate a Service Schedule or the provision of any portion of the Services described in a Service Schedule at any time by delivering written notice to the other Party no less than 90 days in advance of the stated termination date set out in the notice, unless a greater minimum notice period is described in the applicable Service Schedule. The Party exercising its right to terminate shall provide as much advance notice to the other Party as reasonably possible in the circumstances of its intent to terminate any specified Services in accordance with this Section 10.02(b).

10.03 TERMINATION FOR CHANGE IN APPLICABLE LAW

In the event that:

- (a) there is a change in Applicable Law which materially affects either Party in relation to any of the Services; or

- (b) a Party is unable to perform any or all of the Services due to a change in policy, guidelines, codes, directives, order, decision or other regulatory action of any Governmental Authority,

then either Party shall have the right to terminate any or all of the applicable Services Requests by giving 90 days' prior written notice of termination to the other Party whereupon the specified Services or this Agreement shall terminate as of the effective date of termination specified in the notice. Notwithstanding the provision in the sentence immediately above, the applicable Party shall provide as much advance notice to the other Party as reasonably possible (and no less than 90 days) in the circumstances of its intent to terminate any specified Services or this Agreement in accordance with this Section 10.03.

10.04 CHANGE OF CONTROL OF UTILITIES OR ENERGY

In the event of a Change of Control in Utilities or Energy, the entity to which control has passed may by delivery of written notice terminate any or all of the Services or this Agreement effective immediately.

10.05 CONSEQUENCES OF TERMINATION

Upon termination of any or all of the Services under this Agreement or upon termination of this Agreement for any reason:

- (a) the relevant provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for any billings, adjustments and payments related to the period prior to termination;
- (b) with respect to termination of a Service, Services or this Agreement in accordance with Section 10.02 only, the Party exercising its termination rights under Section 10.02 shall pay to the other Party a sum equal to: (i) such other Party's actual, reasonable and demonstrable demobilization costs and/or deposits paid to its subcontractors, as demonstrated by documentation reasonably requested by the Party exercising its rights under Section 10.02; less (ii) any recordable deposits paid to such other Party's subcontractors.
- (c) the termination shall not affect any rights or obligations which may have accrued prior to such termination or any other rights which the terminating Party may have arising out of the termination or the event giving rise to the termination and shall not affect the continuing obligations of either Parties under this Agreement which are expressed to continue after termination of this Agreement; and
- (d) except as provided in Sections 10.05(a) and 10.05(c), the terminating Party shall have no liability whatsoever to the other Party arising from such termination. For greater certainty, the terminating Party shall have no liability whosoever to the other Party for any special, incidental, indirect or consequential damages, lost business revenue, loss of profits, failure to realize expected profits or savings, or any damages or losses, whether based on breach of contract or tort (including

negligence) or otherwise, even if the Party causing such loss or damages has been advised of the possibility of same, which the other Party may incur as a result of the termination.

ARTICLE 11

CONFIDENTIALITY AND INTELLECTUAL PROPERTY

11.01 CONFIDENTIAL INFORMATION

Each Party (the “**Receiving Party**”) shall maintain in strict confidence any and all information about the business or operations or customers of the other Party or any of their Affiliates, which it acquires in any form from the other Party (the “**Disclosing Party**”) by virtue of this Agreement (“**Confidential Information**”) and will not disclose to any third party or make use of such Confidential Information (except for the purposes of this Agreement) for itself or any third party without the prior written consent of the Disclosing Party, except as permitted herein and except where required by Applicable Law. Notwithstanding the foregoing, “**Confidential Information**” shall not include information which:

- (a) is in the public domain at the time of its disclosure to the Receiving Party or which thereafter enters the public domain otherwise than by any breach of this Agreement;
- (b) is already known to or in the possession of the Receiving Party at the time of its disclosure by the Disclosing Party as evidenced by the Receiving Party’s records;
- (c) is lawfully acquired at any time by the Receiving Party without restrictions from a third party without breach of confidentiality by such third party; or
- (d) required to be disclosed under Applicable Law, judicial decision or by order, decree, rule, regulation or requirement of any Governmental Authority,

provided no “**Confidential Information**” may be disclosed if it consists of information that is “confidential information” of Utilities for purposes of the Affiliate Relationships Code.

11.02 PERMITTED DISCLOSURE

Notwithstanding Section 11.01,

- (a) the Parties hereby acknowledge and agree that Utilities may be obligated to disclose Confidential Information relating to this Agreement to the OEB and any other Governmental Authority to which Utilities may be required to report in connection with filing a rate application with the OEB, under the Affiliate Relationships Code, the Reporting and Record Keeping Requirements or in accordance with any other Applicable Law;

- (b) the Parties hereby acknowledge that they are both subject to MFIPPA and that as a result either Party may be required to disclose Confidential Information concerning this Agreement or the other Party in accordance with the provisions of MFIPPA;
- (c) in the event that a Receiving Party is required by law to disclose any Confidential Information to a Governmental Authority, or any other person, including, without limitation, any disclosure required pursuant to a request under MFIPPA, such Party may so disclose; provided that it shall, to the extent permitted by Applicable Law, first inform the Disclosing Party of the request or requirement for disclosure to allow an opportunity for the Disclosing Party to apply for an order to prohibit or restrict such disclosure;
- (d) Energy acknowledges and agrees that the use and disclosure of any information relating to the customers of Utilities is governed by requirements of the *Ontario Energy Board Act, 1998*, and regulations, licences, codes and procedures established by the OEB (“**OEB Requirements**”). Energy acknowledges and agrees that if any of Utilities’ Confidential Information relating to its smart sub-metering providers, wholesalers, consumers, retailers or generators is disclosed to Energy or its Representatives hereunder, Energy shall strictly comply, and shall cause its Representatives to strictly comply with the OEB Requirements, the requirements, policies or procedures of Utilities, the Affiliate Relationship Code, MFIPPA and all other Applicable Law; and
- (e) Utilities agrees and acknowledges that if any Personal Information is disclosed by Energy to Utilities or its Representatives, Utilities shall strictly comply and shall cause its Representatives to strictly comply with the requirements of MFIPPA and such other requirements, policies or procedures of Energy related to or arising from such disclosures, and all other Applicable Law.

11.03 LIABILITY FOR BREACH

Except for disclosures made pursuant to Section 11.02, as required by Applicable Law or any Governmental Authority or as required to fulfil the terms of this Agreement, each Party shall be responsible for any breach of this Agreement by the Party, its Representatives and any person to whom it discloses any Confidential Information or Personal Information. The Parties agree that a Disclosing Party would be irreparably injured by a breach of this Agreement by a Receiving Party or by any person to whom it discloses any Confidential Information or Personal Information and that monetary damages would not be a sufficient remedy. Therefore, in such event, the Disclosing Party shall be entitled to equitable relief, including injunctive relief without proof of actual damages, as well as specific performance. Such remedies shall not be deemed to be exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available at law or equity.

11.04 RETURN OF CONFIDENTIAL INFORMATION

Subject to Applicable Law, upon completion or termination of this Agreement, or upon ten (10) days written notice from the Disclosing Party requesting return or destruction of any or all Confidential Information, the Receiving Party shall forthwith return to the Disclosing Party or destroy, without retaining any copies thereof unless otherwise required by Applicable Law, all such Confidential Information.

11.05 INTELLECTUAL PROPERTY

- (a) As between the Service Provider and the Service Recipient, (i) the Service Provider shall own all Service Provider Background IP, and the Service Recipient acknowledges that it does not have and will not acquire any right, title or interest in or to any Service Provider Background IP under this Agreement; and (ii) the Service Recipient shall own all Service Recipient Background IP, and the Service Provider acknowledges that it does not have and will not acquire any right, title or interest in or to any Service Recipient Background IP under this Agreement.
- (b) With respect to a particular Service and as between the Service Provider and the Service Recipient, the Service Recipient shall own the Service Results and IP. The Service Provider agrees to assign, to the Service Recipient any and all right, title and interest in the Service Results and IP, and shall execute such documents and do all other acts and things as may be reasonably deemed necessary by the Service Recipient to effectuate all such right, title and interest. The Service Recipient will not take any action inconsistent with such right, title and interest.
- (c) To the extent that Service Provider Background IP is incorporated into the Service Results and IP, Service Provider grants to Service Recipient a fully paid, non-exclusive, irrevocable, royalty-free worldwide license, with a right of sublicense, to use such Service Provider Background IP to the extent necessary for Service Recipient to enjoy full benefit of its rights to the Service Results and IP.
- (d) During the Term, Service Recipient grants to Service Provider a non-exclusive license to use the Service Recipient Background IP and any Service Results and IP solely for the performance of the Services or to otherwise perform its obligations under this Agreement.

ARTICLE 12 **FORCE MAJEURE**

12.01 FORCE MAJEURE

Except for the payment of any monies required hereunder, neither Party shall be deemed to be in default of this Agreement where the failure to perform or the delay in performing any obligation is due to a cause beyond its reasonable control, including, but not limited to, an act of God, act of any Governmental Authority, civil commotion, acts of terrorism including threatened acts, strikes, lockouts and other labour disputes, fires, floods, sabotage, earthquakes, ice storms,

tornado, severe and imminent weather warnings and conditions, and epidemics (each, a “**Force Majeure Event**”).

12.02 NOTICE OF FORCE MAJEURE

Once a Party becomes subject to an event of Force Majeure, it shall promptly, but in no circumstance later than five (5) Business Days after the commencement of a Force Majeure Event, notify the other Party of its inability to perform, or of any delay in performing, its obligations under this Agreement due to a Force Majeure Event and shall provide an estimate, as soon as practicable, as to when the obligation will be performed. The Party subject to the Force Majeure Event shall also continue to furnish timely reports to the other Party with respect to the Force Majeure Event during the continuation of the said event and the said Party shall exercise all commercially reasonable efforts to mitigate or limit damages to the other Party. The Party subject to the Force Majeure Event shall use its best efforts to continue to perform its obligations under this Agreement and to correct or cure the event or condition excusing performance and when the said Party is able to resume performance of its obligations thereunder, it shall give the other Party written notice to that effect and shall promptly resume performance thereunder. The time for performing the obligation shall be extended for a period equal to the time during which the Party was subject to the Force Majeure Event. The Parties shall explore all commercially reasonable avenues available to avoid or resolve Force Majeure Events in the shortest time possible.

12.03 EXCLUSIONS

- (a) A Party shall not be entitled to invoke force majeure under this ARTICLE 12, nor shall it be relieved of its obligations hereunder in any of the following circumstances:
 - (i) if and to the extent the Party seeking to invoke Force Majeure has caused the applicable Force Majeure Event by its fault or negligence;
 - (ii) if and to the extent the Party seeking to invoke force majeure has failed to use reasonable efforts to prevent or remedy the Force Majeure Event and remove, so far as possible and within a reasonable time period, the Force Majeure Event (except in the case of strikes, lockouts and other labour disturbances, the settlement of which shall be wholly within the discretion of the Party involved);
 - (iii) if and to the extent that the Party seeking to invoke force majeure because of arrest or restraint by a Governmental Authority, such arrest or restraint was the result of a breach by such Party of Applicable Laws;
 - (iv) if the Force Majeure Event was caused by economic hardship, a lack of funds or other financial cause of a Party;
 - (v) if the Party invoking force majeure fails to comply with the notice provisions in Section 12.02, unless no undue prejudice is experienced by the Party being notified; or

- (vi) if the failure to perform or comply with any of the covenants or obligations herein imposed upon a Party was caused by the acts or omissions of third Persons for which the Party is responsible, including any Affiliate of a Party, or any direct or indirect vendor, supplier or contractor of a Party, unless such acts or omissions are themselves caused by reason of a Force Majeure Event.
- (b) Notwithstanding Sections 12.01 and 12.02, the settlement of any strike, lockout, restrictive work practice or other labour disturbance constituting a Force Majeure Event shall be within the sole discretion of the Party involved in such strike, lockout, restrictive work practice or other labour disturbance and nothing in Sections 12.01 and 12.02 shall require the said Party to mitigate or alleviate the effects of such strike, lockout, restrictive work practice or other labour disturbance.

ARTICLE 13

DISPUTE RESOLUTION

13.01 DISPUTES

Any controversy, dispute, difference, question or claim arising between the Parties in connection with the interpretation, performance, construction or implementation of this Agreement that cannot be resolved by a director or manager from each Party (collectively, a “**Dispute**”), shall be settled in accordance with this ARTICLE 13.

13.02 NOTICE OF DISPUTE

The aggrieved Party shall send the other Party written notice identifying the Dispute, the amount involved, if any, and the remedy sought, and invoking the procedures of this Article. A senior officer with authority to bind Energy, as selected by Energy in its discretion, and a senior officer with authority to bind Utilities, as selected by Utilities in its discretion, shall confer in an effort to resolve the Dispute. If the Dispute cannot be resolved in accordance with this Section 13.02 within thirty (30) days of the date the Dispute arose, the Dispute shall be resolved by binding arbitration in accordance with Sections 13.03 and 13.04.

13.03 APPOINTMENT OF ARBITRATOR

The Parties shall submit any arbitration under this Article to a single arbitrator agreed upon by both Parties. If the Parties cannot agree upon a single arbitrator within ten (10) days after the Dispute is referred to arbitration, either Party may apply to the Court for appointment of an Arbitrator pursuant to the *Arbitration Act, 1991* (Ontario) as amended from time to time. Any arbitrator selected or appointed to act under this Agreement shall be qualified by education, training and experience to pass on the particular question in Dispute and shall have no connection to either of the Parties other than acting in previous arbitrations.

13.04 ARBITRATION PROVISIONS & DIRECTIONS

The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The arbitration shall be conducted in the City of Windsor, Ontario unless the Parties agree otherwise. The decisions of the arbitrator shall be made in writing and shall be final and binding on the Parties as to the questions submitted and the Parties shall have no right of appeal therefrom. All costs and expenses relating to a Dispute which is finally determined or settled by arbitration, including reasonable legal fees, will be borne by the Party determined by the Arbitrator to be liable in respect of such Dispute; provided, however, that if complete liability is not assessed against only one Party, the Parties will share the total costs in proportion to their respective amounts of liability so determined by the Arbitrator. Notwithstanding the provisions to arbitrate any Dispute hereunder, either Party may seek from a court any equitable relief (including, without limitation, injunctive relief) that may be necessary to protect such Party's rights.

ARTICLE 14 **GENERAL**

14.01 CHANGES TRIGGERING NEGOTIATION OF AMENDMENTS

In the event that through amalgamation or otherwise, Energy or Utilities serves a materially larger or materially smaller populace, the Parties agree to negotiate diligently and in good faith any amendments to this Agreement necessary or advisable in connection with such event including the possibility of an early termination.

14.02 ASSIGNMENT

Neither Party shall, without the prior approval of the other Party which shall not be unreasonably withheld, assign or transfer its interest in this Agreement. Except as otherwise provided, this Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this section shall be void.

14.03 NOTICES

All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

- (a) if to Utilities:

787 Ouellette Avenue
P.O. Box 1625, Station "A"
Windsor, Ontario N9A 5T7
Attention: Corporate Secretary

Fax: (519) 255-2767

- (b) if to Energy:

787 Ouellette Avenue
P.O. Box 1625, Station "A"
Windsor, Ontario N9A 5T7
Attention: Corporate Secretary

Fax: (519) 255-2767

and may be delivered to the other Party's address by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address for notification purposes by giving the other Party notice of the new address and the date upon which it will become effective in accordance with the terms of this Section 14.03. A notice shall be deemed to have been received as of the date of receipt by the Party to whom the notice is addressed. The Parties also contemplate and approve delivery of notices and documents electronically by fax or by email, and subject to verification of receipt by the other Party, such notices and documents shall be deemed for all purposes to be original documents in writing.

14.04 SEVERABILITY

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such remaining provision or remaining applicability of this Agreement shall be valid and enforceable to the extent permitted by law.

14.05 WAIVER

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

14.06 ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement among the Parties with respect to the Services, and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

14.07 AMENDMENTS

No amendment to, or change, waiver or discharge of any provision of this Agreement shall be valid unless in writing and signed by authorized Representatives of each Party.

14.08 GOVERNING LAW

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, excluding their rules governing conflicts of laws. Subject to ARTICLE 13, the Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attach to the jurisdiction of such courts.

14.09 SURVIVAL

Section 4.01, Section 4.02, ARTICLE 5, ARTICLE 7, ARTICLE 8, Section 10.05, ARTICLE 11, ARTICLE 13, and Section 14.08 shall survive termination of this Agreement and shall remain in full force and effect.

14.10 THIRD PARTY BENEFICIARIES

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

14.11 COVENANT OF FURTHER ASSURANCES

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

14.12 COVENANT OF FURTHER ASSURANCES

This Agreement may be executed in counterparts which, taken together, shall constitute a single instrument. Execution of this Agreement by facsimile, .pdf or electronic signature and transmitted by fax machine or electronic mail shall be treated in all manner and respects as an original document. Any such fax or e-mail document shall be considered to have the same binding legal effect as an original document.

[Remainder of this page left intentionally blank.]

SIGNED, SEALED AND DELIVERED

Name: James Brown
Title: Vice President

We have authority to bind ENWIN Energy Ltd.

Name: Helga Reidel
Title: President and CEO

We have authority to bind ENWIN Utilities Ltd.

**Approved for
Technical Content**

SCHEDULE A
FORM OF SERVICE SCHEDULE

ENWIN UTILITIES LTD.

and

ENWIN ENERGY LTD.

MASTER SERVICES AGREEMENT

SERVICE SCHEDULE NUMBER __ [INSERT NUMBER]

This Service Schedule Number __ **[Insert Number]** dated _____ **[Insert Date]** is issued pursuant to, and subject to all the terms and conditions of the Master Services Agreement dated ■ (the “**Agreement**”) between *ENWIN* Utilities Ltd. and *ENWIN* Energy Ltd. The issuer of this Service Schedule is _____ **[Specify either Utilities or Energy]** (the “**Recipient**”) and the Service provider is _____ **[Specify either Utilities or Energy]** (the “**Provider**”). The Parties agree that, except as otherwise expressly stated in this Service Schedule, this Service Schedule is governed by, and subject to all the terms and conditions of the Agreement.

Capitalized terms that are used but not otherwise defined in this Service Schedule shall have the meaning ascribed thereto in the Agreement.

1. Description of Services

The Provider shall deliver the following Services to the Recipient:

■ **[Insert scope]**

(collectively, the “**Scope of Services**”)

2. Schedule

Commencement Date: _____.

Anticipated Completion Date: _____.

3. Fees

In accordance with the Cost Recovery Methodology agreed to between the Parties and **[Insert Option 1 or Option 2 below]**.

[OPTION 1 – Fixed Fee model][in consideration for the completion of the Scope of Services, the Recipient shall pay the Provider \$■. The Provider shall invoice the Recipient and the Recipient shall pay the Provider pursuant to the terms of the Agreement.]

[OPTION 2 – Hourly Fee model][in consideration for the completion of the Scope of Services, the Recipient will be compensated according to the rates set forth below:

The Provider estimates the Work will require ■ hours at a cost of \$■ per hour. Compensation for the Work, including reimbursable expenses shall not exceed \$■ without the Recipient's prior written approval.

The Provider shall invoice the Recipient and the Recipient shall pay the Provider pursuant to the terms of the Agreement. For reimbursable expenses, the Provider must furnish the Recipient approved time sheets and receipts for expenses.]

4. Representatives

All correspondence shall be directed to the following:

The Provider's representative for the Scope of Services is _____,
Address: _____. Telephone: _____.
Title: _____. Email: _____. **[Insert details.]**

The Recipient's representative for the Scope of Services is _____,
Address: _____. Telephone: _____.
Title: _____. Email: _____. **[Insert details.]**

5. Annual Review

The Services described in Section 1 above shall be subject to an annual review to be held by the Parties on or about each anniversary of the Commencement Date on the basis of the following performance metrics:

[Insert applicable performance metrics. Typical performance metrics would include: (i) Fee analysis (i.e., did actual costs exceed estimates and how this compares to prior years); (ii) results analysis to assess whether scope of work was fully complied with; and (iii) internal and external surveys to qualitatively assess performance and receive input on means of improving the delivery of Services in the future.]

6. Termination Notice Period

[Insert if applicable. Agreement provides for 90 days prior notice of the termination of any Services.]

7. Waiver of Specific Terms and Conditions of the Agreement

[Insert any terms and conditions of the Agreement that will not apply to the Services described in Section 1 above.]

8. Other Terms

[Insert any special provisions here (if required). For example, this Service Schedule may require additional insurance requirements, certain permitting requirements, training requirements, reporting requirements, credit support (e.g., letters of credit, bonds or a holdback), changes to the terms of the Warranty, etc.]

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above by their duly authorized signing officers in that regard.

ENWIN UTILITIES LTD.

By: _____

Name:
Title:

By: _____

Name:
Title:

Date: _____

ENWIN ENERGY LTD.

By: _____

Name:
Title:

By: _____

Name:
Title:

Date: _____



ATTACHMENT 4 - O

Service Level Agreement – EWU/WCU

MASTER SERVICES AGREEMENT

ENWIN UTILITIES LTD.

- and -

WINDSOR CANADA UTILITIES LTD.

October 10, 2017

MASTER SERVICES AGREEMENT

This Master Services Agreement made to take effect as and from the first day of November, 2017 (the “**Effective Date**”)

BETWEEN:

ENWIN UTILITIES LTD.

a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter referred to as “**Utilities**”)

- and -

WINDSOR CANADA UTILITIES LTD.

a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter referred to as the “**WCU**”)

RECITALS

1. Utilities distributes electricity to customers in the City of Windsor, and is regulated by the Ontario Energy Board (the “**OEB**”) and must comply with the terms of its Distribution Licence.
2. WCU is the sole shareholder of Utilities, and is an Affiliate of Utilities for purposes of the Affiliate Relationships Code, and therefore any service provided by WCU to Utilities or by Utilities to WCU (and any terms and conditions related thereto) must be provided in accordance with the Affiliate Relationships Code.
3. The Parties wish to enter into this Agreement to establish the general terms and conditions that shall apply to Service Schedules for the performance of certain services, as set out in Service Schedules, by: (a) Utilities for the benefit of WCU; and (b) WCU for the benefit of Utilities.

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereto confirm the accuracy of the recitals above which are incorporated into this Agreement by reference, and further agree as follows:

ARTICLE 1 **INTERPRETATION**

1.01 DEFINITIONS

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

“Actual Completion Date” means, with respect to a Service, the date on which the Service was completed in accordance with Section 3.02(b);

“Affiliate” has the meaning ascribed to such term in the Affiliate Relationships Code;

“Affiliate Relationships Code” means the Affiliate Relationships Code for Electricity Distributors and Transmitters issued by the OEB, as amended from time to time;

“Agreement” means this Master Services Agreement between Utilities and WCU, including all Service Schedules issued in connection therewith. This Master Services Agreement and all Service Schedules are intended to be construed as a single unified and harmonious instrument;

“Applicable Law” means, collectively, all applicable laws, treaties, statutes, codes, codes of conduct, ordinances, decrees, rules, regulations, including, without limitation, policies, codes or guidelines of a Governmental Authority, judicial, administrative, ministerial, departmental or regulatory judgments, orders, decisions, directives or rulings and conditions of any licence, permit, certificate, registration, authorization, consent or approval applicable to this Agreement or the subject matter hereof which in each case is binding in nature and enforceable against a Party;

“Business Day” means any day other than a Saturday or Sunday or a statutory or bank holiday in the Province of Ontario or a date observed by either of WCU or Utilities as a holiday;

“Change of Control” means any change in the control of the assets or shares of Utilities or WCU pursuant to which the assets and operations of Utilities or WCU are in the control of a third party to this Agreement, whether such change occurs by way of a sale, transfer, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, redemption or otherwise;

“Claims” has the meaning ascribed to such term in Section 7.01;

“Confidential Information” has the meaning ascribed to such term in Section 11.01;

“Cost Recovery Methodology” has the meaning ascribed to such term in Section 5.03;

“Disclosing Party” has the meaning ascribed to such term in Section 11.01;

“Dispute” has the meaning ascribed to such term in Section 13.01;

“Effective Date” has the meaning ascribed to such term in the Preamble;

“Event of Default” has the meaning ascribed to such term in Section 9.01;

“Fees” has the meaning ascribed to such term in Section 5.01;

“Force Majeure Event” has the meaning ascribed to such term in Section 12.01;

“Good Utility Practices” means any of the practices, methods and activities adopted by a significant portion of the North American utility industry as good practices applicable to

performance of Services of similar type or any of the practices, methods or activities which, in the exercise of skill, diligence, prudence, foresight and reasonable judgement, in light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and Applicable Laws. Good Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather are intended to delineate acceptable practices, methods, or acts generally accepted in the North American utility industry;

“Governmental Authority” means any court or governmental ministry, department, tribunal, commission, board, bureau, agency, or instrumentality of Canada, or of any province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing having or purporting to have jurisdiction over the Services or over any Party to this Agreement, including, for greater certainty, the OEB, the IESO, the Privacy Commissioner of Canada, and the Information and Privacy Commissioner of Ontario, and their successors and any person acting under the authority of a Governmental Authority.

“IESO” means the Independent Electricity System Operator for Ontario;

“Indemnified Party” has the meaning ascribed to such term in Section 7.01;

“Indemnifying Party” has the meaning ascribed to such term in Section 7.01;

“Intellectual Property” means any discovery, invention, formulation, know-how, method, technological development, industrial design, enhancement, modification, improvement, work of authorship, computer software and documentation thereof, data or collection of data, whether patentable or not, or susceptible to copyright or any other form of legal protection, and includes Confidential Information;

“MFIPPA” means the *Municipal Freedom of Information and Protection of Privacy Act* of Ontario, as amended from time to time;

“Minimum Retention Period” means a mandatory retention period of at least six (6) years, calculated from the end of the last calendar year to which the applicable record relates, as required under the Mandatory Record Retention Period Policy for Regulatory Entities (File No. EB-2015-0247) published by the OEB (as may be amended or restated);

“OEB” has the meaning ascribed to such term in the Recitals and any successor thereto;

“OEB Requirements” has the meaning ascribed to such term in Section 11.02(d);

“Parties” means Utilities and WCU and any reference to a Party includes its successors and permitted assigns; and **“Party”** means either of Utilities or WCU;

“Personal Information” has the meaning ascribed to such term in the MFIPPA;

“Prime Rate” means a rate of interest per annum equal to the late payment interest rate on Utilities’ tariff of rates and charges approved by the OEB and then in effect;

“Prior Agreements” has the meaning ascribed to such term in Section 2.02(a);

“Prior Services” has the meaning ascribed to such term in Section 2.02(b);

“Receiving Party” has the meaning ascribed to such term in Section 11.01;

“Representatives” in reference to a Party, means, as applicable, the Party’s mayor, councillors, directors, officers, commissioners, employees, agents and contractors;

“Service Provider” means the Party performing Service(s) pursuant to a Service Schedule;

“Service Recipient” means the Party receiving Service(s) pursuant to a Service Schedule;

“Service Provider Background IP” means all Intellectual Property (a) owned or licensed by Service Provider as of the Effective Date or (b) acquired or licensed by Service Provider from a third party after the Effective Date, (c) developed or created by the Service Provider (alone or jointly) other than in the course of the Services, and (d) all improvements, variations, modifications or enhancements of the Intellectual Property described in (a), (b) or (c) above developed or created by, or on behalf of, Service Provider after the Effective Date that does not constitute Service Results and IP;

“Service Recipient Background IP” means all Intellectual Property (a) owned or licensed by Service Recipient as of the Effective Date or (b) acquired or licensed by Service Recipient from a third party after the Effective Date, and (c) developed or created by the Service Recipient (alone or jointly) other than in the course of the Services, and (d) all improvements, variations, modifications or enhancements of the Intellectual Property described in (a) and (b) above conceived, discovered, invented, made or first reduced to practice by, or on behalf of, Service Recipient after the Effective Date that does not constitute Service Results and IP;

“Service Results and IP” means any data, formulae, outcomes or other results produced in the course of the Services and any Intellectual Property conceived, discovered, invented, made or first reduced to practice in the course of the Services, either alone or jointly by the parties, that is not Service Provider Background IP or Service Recipient Background IP;

“Service Schedule” means a request for services, substantially in the form attached hereto as Schedule A, executed by the Parties;

“Services” has the meaning ascribed to such term in Section 3.01;

“Settlement Period” has the meaning ascribed to such term in Section 2.02(b);

“Term” has the meaning ascribed thereto in Section 2.01;

“Utilities” has the meaning ascribed to such term in the Preamble; and

“Warranty Period” means, with respect to a Service, the period ending on the first anniversary of the Actual Completion Date, subject to any specific exceptions contained in any Service Schedule;

“WCU” has the meaning ascribed to such term in the Preamble.

1.02 CONSTRUCTION OF AGREEMENT

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated there under, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;
- (c) **“includes”** or **“including”** shall mean includes (or as applicable, including) without limitation;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded; and if the last day of such period is not a Business Day, the period shall end on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, Subsections and Schedule(s), the provision of a table of contents and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the terms and conditions hereof are the result of negotiations between the Parties and the Parties therefore agree that this Agreement shall not be construed in favour of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement; and
- (j) The order of priority of the various documents or portions thereof which comprise this Agreement is as follows, in descending order of priority:

- (i) the body of this Agreement;
- (ii) each Service Schedule; and
- (iii) any addendums, amendments, attachments or exhibits to the Service Schedule expressly agreed upon in writing by the Parties and referenced in the Service Schedule.

1.03 SCHEDULES OF SERVICES

The Schedules set out below are attached to and form part of this Agreement, as may be amended by the Parties by mutual agreement from time to time:

Schedule

Description

A

Form of Service Schedule

1.04 PURPOSE OF AGREEMENT

The purpose of this Agreement is to establish terms and conditions for all services to be performed by WCU for the benefit of Utilities or by Utilities for the benefit of WCU, other than those services that are provided pursuant to a separate agreement between WCU and Utilities.

ARTICLE 2

TERM

2.01 TERM

The term of this Agreement shall commence on the Effective Date and, unless terminated or abbreviated pursuant to ARTICLE 10, shall remain in effect for a period of five (5) years (the “**Term**”). The Term shall be automatically renewed for successive one (1) year periods unless either Party delivers written notice of its intention to terminate this Agreement no later than 60 days prior to the expiration of the then applicable Term.

2.02 TERMINATION OF PRIOR AGREEMENTS

- (a) In the event that, immediately preceding the Effective Date, either Party was providing Services to the other Party (collectively, “**Prior Services**”) pursuant to formal or informal arrangements effected verbally or in writing (collectively, “**Prior Agreements**”), the Parties agree that such Prior Agreements shall terminate on the Effective Date.
- (b) Any settlement of accounts in relation to a Prior Agreement shall be completed within 90 days of the Effective Date (the “**Settlement Period**”). Upon expiration of the Settlement Period, all accounts in relation to the Prior Agreements shall be deemed to be fully settled and closed. The Parties acknowledge and agree that any failure by either Party to terminate or fulfil its obligations pursuant to a Prior Agreement or any action associated therewith shall not delay, hinder, modify, or

invalidate any provision of this Agreement.

ARTICLE 3

SERVICES

3.01 SERVICES

- (a) Subject to the terms, covenants and conditions contained in this Agreement, each Party shall provide or cause to be provided, the services described in a Services Schedule (collectively, the “**Services**”).
- (b) Either Party may, from time to time during the Term, deliver a written request to the other Party for the Parties to negotiate a Services Schedule substantially in the form attached hereto as Schedule A that is populated with the applicable scope of services, Fee and other such relevant information. Such notice shall include an initial draft of the Services Schedule. Upon receipt of a written request, the Parties agree that they shall negotiate a Services Schedule in good faith and shall use commercially reasonable efforts to agree upon the Cost Recovery Methodology and execute such Services Schedule within 20 Business Days of the date the initial written request is delivered or within such time period as otherwise may be agreed to by the Parties in writing.
- (c) Unless the Parties agree expressly in writing to waive any of the terms and conditions of this Agreement, a Service Schedule shall incorporate the provisions of this Agreement.

3.02 PROVISION OF SERVICES

- (a) Each Party shall be responsible for the provision of the applicable Services provided hereunder pursuant to a Service Schedule and the methods employed in providing the same, and represents and warrants that such Services being provided by the Party shall be provided in a diligent, competent, and professional manner to commercially reasonable standards, including but not limited to ensuring that the Services are performed in accordance with Applicable Law and Good Utility Practices.
- (b) Upon the Service Provider notifying the Service Recipient in writing that Services under a Service Schedule have been completed, the Service Recipient shall confirm in writing that completion has been achieved with respect to the Services within 10 Business Days of the date that the written notice is received by the Service Recipient, unless the Service Recipient (acting reasonably and in good faith) otherwise provides written notice to the Service Provider of its failure to achieve completion (including appropriate details supporting same), in which case the Service Provider shall complete such additional items as are set out in the notice provided by the Service Recipient. Once all such additional items are completed, the Service Provider shall notify the Service Recipient in writing in accordance with this Section 3.02(b). This process shall be repeated on an

iterative basis until completion of the Services is achieved in accordance with the foregoing provisions of this Section 3.02(b). Any Dispute respecting the achievement of completion will be dealt with in accordance with the dispute resolution provisions set out in ARTICLE 13. If the Service Provider notifies the Service Recipient of completion of the Services in accordance with this Section 3.02(b), and the Service Recipient fails to respond in accordance with this Section 3.02(b) within 10 Business Days of the date that the written notice is received by the Service Recipient, the Service Provider shall deliver a written reminder of its request for confirmation of completion to Service Recipient. If the Service Recipient fails to respond to the second notice and any further notices provided thereafter, within two Business Days, completion shall be deemed to have been achieved with respect to the Services.

- (c) During the Warranty Period, if either Party discovers any defect or deficiency relating to the Services, which defect or deficiency renders such Services to be not compliant with the provisions of Section 3.02(a), such Party shall promptly notify the other Party in writing of the nature of such defect or deficiency and the Services affected. Upon such notice, the Service Provider shall, to the extent such defect or deficiency is caused by or affects the Services it performs under this Agreement, propose to the Service Recipient a reasonably detailed schedule and remedial plan describing the remedial work to be performed by the Service Provider (including, for clarity, re-performance of the Services as reasonably necessary to address such defect or deficiency) and, upon the Service Recipient providing its consent (which shall not be unreasonably withheld or delayed), perform the remedial work at its sole cost and expense.

3.03 RELATIONSHIP

Notwithstanding the Affiliate relationship deemed to exist between the Parties pursuant to the Affiliate Relationships Code, in performing Services, each Party shall operate as an independent contractor and not as an agent of the other Party, and shall maintain its own organization as a distinct and separate legal entity from the other Party. Neither Party shall have the authority to legally bind the other Party in performing the Services without the prior written authority from the other Party to do so. Nothing in this Agreement shall be deemed to constitute a partnership or a joint venture or to create any fiduciary relationship between the Parties in relation to the Services.

3.04 MODIFICATIONS TO THE SERVICES

Either Party may from time to time request that the Parties amend a Services Request to modify the agreed upon scope of services. If the Parties are able to mutually agree on such amendment, the Parties shall formalize the amendment in writing.

ARTICLE 4

RESPONSIBILITIES

4.01 RECORDS MAINTENANCE & AUDIT RIGHTS

- (a) Each Party shall maintain all relevant records relating to the performance of the Services for the Minimum Retention Period commencing on the applicable Actual Completion Date, or such longer period of time as may be required under Applicable Law. Each Party shall provide those records to the other Party upon request and without delay, including as and when a Party requires the records for purposes of complying with Applicable Law or for purpose of responding to a request from or in a proceeding under the authority of a Governmental Authority.
- (b) Each Party shall provide the other Party with the information reasonably required to enable the other Party to perform any business case study to assess or justify prospective or provided Services, subject always to the MFIPPA.
- (c) Concurrent with issuing any invoice or other charge for Services provided, the Service Provider shall provide to the Service Recipient a detailed breakdown of the Party's fully-allocated cost of providing the Services.
- (d) Either Party may, from time to time at its own expense, conduct an inspection or audit of the Services, including but not limited to: (i) the quality of the Services provided, (ii) Fees charged for the Services, (iii) the application of the cost allocation methodology supporting the Fees charged and (iv) all documents reasonably requested by a Party in connection with the calculation of the Fees. Each Party agrees to grant reasonable access by the other Party to its records and documents in connection with any such inspection or audit, including providing copies of documents and records reasonably requested by such Party.

4.02 CO-OPERATION

The Parties shall cooperate with each other during and after the Term: (a) to effect a smooth and orderly delivery of Services or the termination of this Agreement; and (b) with respect to audits or other inquiries, filings, reports and payment of taxes arising in connection with this Agreement, which may be required, initiated or requested from or by any duly authorized Governmental Authority. Subject to Applicable Law in respect of privacy and ARTICLE 11, each Party agrees to provide to the other Party documentation lawfully requested from the other Party by a Governmental Authority as may be required to satisfy the lawful request.

4.03 NOTIFICATION OF CHANGES OF CIRCUMSTANCES

The Parties shall promptly notify each other of any facts or changes or prospective changes in circumstances that might reasonably have a material effect on the performance of the Services, and shall use best efforts to consult with one another in this regard to the extent possible. A material change shall include, but not be limited to, any change which might reasonably require the other Party to incur an increase or decrease of more than 10% of the

resources required for performance or the costs being incurred in respect to any Service prior to the change.

4.04 NOTICE OF PROCEEDINGS

The Parties shall promptly give notice to each other of all actual or potential claims, proceedings, notices of regulatory non-compliance from any Governmental Authority, disputes (including labour disputes) or litigation which it reasonably believes could have an adverse effect on the fulfillment of any of the terms hereof by either Party (whether or not any such claim, proceeding, dispute or litigation is covered by insurance) in respect of its own operations of which any of them is aware. Subject to compliance with Applicable Law, including applicable privacy legislation, and ARTICLE 11, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such claims, proceedings, notices, disputes, or litigation, and any developments relating thereto.

4.05 PERMITS

Each Party shall, at its sole expense, obtain and maintain during the Term, all permits, certifications, licenses and other types of approvals required by it under Applicable Law to perform the Services and, upon request, shall provide the other Party with proof thereof.

4.06 INSURANCE

- (a) Insurance. Neither Party nor any of its subcontractors shall commence the performance of Services until such Party has obtained, at its own expense, the following minimum insurance coverage which it shall maintain in full force and effect for the duration of the Term:
 - (i) Commercial General Liability insurance with limits of at least \$10,000,000.00 per occurrence involving bodily injury, personal injury, death, or property damage, with the other Party listed as an additional insured and including a cross-liability provision, and coverage for completed operations, non-owned auto, tenant's legal liability, coverage for hazardous operations, and contractual liability;
 - (ii) Professional Liability/Errors and Omissions Insurance that has limits of not less than \$5,000,000 per claim. The policy must be in place continuously from the commencement of the Agreement until two (2) years after the expiration of the Term;
 - (iii) Workers' Compensation Insurance applicable in the Province of Ontario for the Services or any portion of the Services is to be performed. The applicable Party shall ensure that all subcontractors, suppliers, agents, and invitees also qualify and carry such required insurance before providing Services. In the event that a subcontractor is exempt from workers compensation laws or requirements, (1) a letter to this effect must be

written and signed by the workers compensation authority or applicable board for the jurisdiction in which the Services is to be performed, and delivered to the Parties prior to commencement of any Services and (2) the Commercial General Liability insurance required under Section 4.06(a)(i) is to include Employer's Liability coverage.

- (iv) Automobile Liability Insurance in compliance with any and all statutory motor vehicle liability requirements, for all owned, hired and non-owned vehicles in a Party's care, custody & control, with a Combined Single Limit of \$2,000,000 Bodily Injury Liability and Property Damage Liability per occurrence; and
- (v) Umbrella/Excess Liability Insurance may be in place to satisfy the insurance requirements set out in Section 4.06(a), where applicable

Neither Party shall cancel, allow to lapse or materially change in any way the insurance required pursuant to this Section 4.06(a) until 30 days after written notice of same is provided to the other Party. If a Party fails to provide or to maintain the insurance required by this Section 4.06(a), then the other Party shall have the right to provide and maintain such insurance, at the non-compliant Party's sole cost and expense.

- (b) Proof and Standard of Insurance. Proof of all insurance must be satisfactory in form and content to: (i) WCU's Vice President, Finance and CFO; and (ii) Utilities Vice President, Finance and CFO, as applicable, each acting reasonably. All insurance must be placed with carriers holding a minimum financial rating of A- or better with A.M. Best and with insurers licensed to underwrite insurance in Canada. No requirement above shall impose on either Party a duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the other Party, nor shall either Party be responsible for any representations or warranties made by the other Party to any insurance company or underwriter. All insurance shall be primary over and non-contributing with, and not in excess of, any other insurance held or obtained by the other Party.
- (c) Deductibles. Each Party shall be responsible for the deductible amounts owing under its insurance policies.

4.07 ACCESS BY SERVICE RECIPIENT AND HEALTH & SAFETY

Each Party, as the Service Provider, hereby acknowledges and agrees that the Service Recipient shall have reasonable access to the Service Provider's facilities, records and applicable documents, as are strictly required in connection with the Services provided by the Service Provider, provided that that Service Recipient shall be required to deliver prior written notice no less than 48 hours in advance of exercising its rights under this Section 4.07. When on the premises of a Party, the other Party's employees shall comply with all health and safety rules and regulations which are brought to their attention from time to time or about which they ought to be aware acting reasonably.

ARTICLE 5

FEES AND PAYMENTS

5.01 FEES

In consideration of the provision of Services, the Service Recipient shall pay to the Service Provider the fees set out in the applicable Service Schedule, as may be amended by the Parties in writing from time to time and as determined and adjusted from time to time in accordance with Section 5.03 (the “Fees”).

5.02 PAYMENT

- (a) Unless a more frequent payment schedule is provided for in the applicable Service Schedule, the Service Provider shall deliver a monthly invoice setting forth the aggregate Fees due by the Service Recipient in respect of each current Service Schedule
- (b) the Service Recipient shall, within 30 days of the date after receipt of an invoice referred to in Section 5.02(a), notify the Service Provider of any amounts therein which the Service Recipient reasonably considers not properly due to the Service Provider, and the Service Recipient shall not be required to pay such disputed amounts until 30 days after such dispute is resolved.
- (c) Subject to Section 5.02(b), the Service Recipient shall pay the amounts set out in an invoice referred to in Section 5.02(a) in such manner as directed in the invoice within 30 days of the date of such invoice (unless expressly set out otherwise in the invoice, provided that the Service Provider shall not be permitted to require payment by the Service Recipient of an invoiced amount within a time period less than 30 days).

5.03 FULL COST RECOVERY

The Parties acknowledge that the Fees charged by Service Provider to the Service Recipient shall be no more than the fully-allocated cost for the Service Provider to provide the Service, which fully-allocated cost may include a return on invested capital that is (a) no higher than Utilities’ OEB-approved weighted average cost of capital in the case of Services being provided by WCU, and (b) no less than Utilities’ OEB-approved weighted average cost of capital in the case of Services being provided by Utilities, as determined in accordance with each Party’s methodology reasonably determined from time to time and always subject to Applicable Law (the “**Cost Recovery Methodology**”). Each Party shall deliver a document setting out its Cost Recovery Methodology to the other Party on or before execution of each Service Schedule and thereafter upon any change to the Cost Recovery Methodology. WCU further acknowledges that Utilities is a rate regulated entity and that any Services provided by WCU, and the recovery by Utilities of the costs of the Fees charged to Utilities, are subject to regulatory review by the OEB.

5.04 ANNUAL REVIEW & ADJUSTMENT TO FEES

The relationship between the Parties arising from this Agreement shall be subject to review by the Parties at least once annually, which review shall consider:

- (a) implementation of processes contemplated by this Agreement;
- (b) issues relating to performance of Services under this Agreement;
- (c) any changes in the cost in connection with a Party's compliance with Applicable Law affecting the provision of Services;
- (d) any changes to the nature or scope of the Services;
- (e) any decision by the OEB as it relates to Services provided or received pursuant to this Agreement; and
- (f) the Affiliate relationship and the requirements under the Affiliate Relationships Code for Services to be provided by Utilities to their Affiliates or received by Utilities from their Affiliates on the basis of the fully-allocated cost to provide the Services so as to avoid cross-subsidization between the Parties and any other matters relating to compliance with Affiliate Relationships Code requirements.

5.05 TAXES

Fees shall include any and all applicable taxes properly exigible on the supply of Services under this Agreement including any and all applicable taxes under the *Excise Tax Act* (Canada), sales taxes, value-added taxes or any other taxes (excluding income taxes).

5.06 LATE PAYMENT

If either Party fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a rate equal to the Prime Rate.

ARTICLE 6 **REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENT**

6.01 REPRESENTATIONS AND WARRANTIES OF UTILITIES

Utilities hereby represents and warrants to WCU as follows and acknowledges that WCU is relying on such representations and warranties in connection herewith:

- (a) Utilities is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;

- (c) this Agreement has been duly executed and delivered by Utilities and constitutes a legal, valid and binding obligation of Utilities, enforceable against Utilities by WCU in accordance with its terms; and
- (d) Utilities has received, reviewed and approved for the purposes set out in this Agreement, WCU's Cost Recovery Methodology.

6.02 REPRESENTATIONS AND WARRANTIES OF WCU

WCU hereby represents and warrants to Utilities as follows and acknowledges that Utilities is relying on such representations and warranties in connection herewith:

- (a) WCU is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) the provision by WCU of Services pursuant to this Agreement complies with the Corporation of the City of Windsor shareholders directions to WCU;
- (d) WCU has received, reviewed and approved for the purposes set out in this Agreement, Utilities' Cost Recovery Methodology; and
- (e) this Agreement has been duly executed and delivered by WCU and constitutes a legal, valid and binding obligation of WCU, enforceable against WCU by Utilities in accordance with its terms.

ARTICLE 7 **INDEMNIFICATION**

7.01 INDEMNIFICATION

- (a) Each Party, on behalf of itself, its directors, officers, commissioners, elected officials, employees, volunteers, agents, successors, and assigns ("**Indemnifying Party**") agrees to indemnify and hold harmless the other Party, its directors, officers, commissioners, elected officials, volunteers, employees, agents, successors, and assigns ("**Indemnified Party**"), against any and all claims, demands, suits, losses, damages, liabilities, penalties, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest on, any and all actions, suits, proceedings for personal injury (including death) or property damage, assessments, judgments, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (collectively, "**Claims**") arising out of or

related to: (i) breaches of the Indemnifying Party's obligations contained in this Agreement, including but not limited to the disclosure of Confidential Information and/or Personal Information pursuant to Section 11.03; (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Indemnifying Party; and (iii) the negligent acts, negligent omissions, or wilful misconduct of the Indemnifying Party in connection with the performance of its obligations under this Agreement.

- (b) The indemnities provided for in Section 7.01(a) shall only apply if the Indemnified Party gives the Indemnifying Party prompt notice of any such Claim as soon as it is aware of a situation that may give rise to a Claim, and all requested and necessary information and assistance. The Indemnifying Party, at its option, may defend or settle such claim provided that the Indemnified Party may participate in such defense if the Indemnifying Party and the Indemnified Party's interest are divergent. The Indemnifying Party may not settle a Claim without consent of the Indemnified Party, such consent not to be unreasonably withheld, conditioned or delayed.
- (c) In the event that a Claim is the result of the contributory negligence of the Parties, the loss, liability and costs (including legal fees) associated with the defence and settlement of the Claim shall be borne by each Party in proportion to its negligence.
- (d) Neither Party shall, or shall permit its subcontractors to, file any lien or encumbrance in connection with the performance of such Party's Services except as solely as a result of the other Party's failure to make an undisputed payment when due in accordance with this Agreement. If any lien or encumbrance is filed in connection with the performance of the Services by the Party performing the Services or its subcontractors in violation of this Section 7.01(d), such Party shall, within five Business Days of the filing of any such lien or encumbrance, discharge or remove in accordance the Applicable Law and shall provide evidence of such discharge or removal to the other Party within five Business Days of the discharge or removal. If a Party fails to take such action within the time period provided by this Section 7.01(d), the other Party shall have the right, at its option, without notice to the failing Party, to maintain holdback from payments to such failing Party and to pay or settle such lien or encumbrance, and such failing Party shall, within two Business Days of receipt of a request by the other Party, reimburse the other Party for all actual reasonable costs and expenses incurred by the other Party in connection therewith. Any undisputed, past due payment required pursuant to this Section 7.01(d) shall accrue interest at the Prime Rate.

ARTICLE 8

LIMITATION OF LIABILITY

8.01 LIMITATION OF LIABILITY

Subject to Section 8.03, each Party's maximum aggregate liability for all Claims of any kind under this Agreement shall not exceed an amount equal to the average of the Fees invoiced by such Party in the three (3) years preceding the date of the Claim. The foregoing limitation of liability shall not apply to a Party's liability: (i) for fraudulent actions; or (ii) for its or its subcontractors willful misconduct or gross negligence, nor apply to any insurance proceeds received or which will be received by the Party pursuant to policies maintained in accordance with the terms of this Agreement or in the case the Party fails to maintain insurances required to be maintained hereunder, an amount equal to any insurance proceeds which would have been received pursuant to such insurance policies had such been maintained as required hereunder. The Parties acknowledge and agree that any of a Party's liability covered by the proceeds of the insurance maintained pursuant to ARTICLE 4 shall not reduce or be applied against the limit of liability set out in this Section 8.01.

8.02 CONSEQUENTIAL DAMAGES

Subject to Section 8.03, in no event shall either Party be liable to the other Party, irrespective of whether alleged to be by way of indemnity, as a result of breach of contract, breach of warranty, tort (including negligence), strict liability, or any other legal theory for damages that constitute consequential, incidental, special, indirect, exemplary or punitive damages of any nature whatsoever, except to the extent such damages are covered by insurance proceeds actually received pursuant to the applicable Party's insurance.

8.03 EXCEPTIONS TO LIMITATION

The exclusions and limitations of liability contained in Sections 8.01 and 8.02 shall not apply to liabilities arising from either party's indemnification obligations under ARTICLE 7 of this Agreement with respect to any damages, awards or other amounts payable to a third party in connection with a third party Claim.

ARTICLE 9 **DEFAULT**

9.01 DEFAULT

The occurrence of any one or more of the following shall constitute an event of default on the part of a Party (an "**Event of Default**"):

- (a) if the Service Recipient fails to pay any Fees set out in an invoice delivered pursuant to ARTICLE 5 and such default shall continue without being cured within 30 days following notice thereof to the Service Recipient by the Service Provider; and
- (b) breach of any material representation or warranty or failure to perform or observe any material covenant or obligation under this Agreement if such failure is not cured within 30 days following notice thereof (giving particulars of the failure in reasonable detail) from the non-defaulting Party or such longer period as may be reasonably necessary to cure such failure, provided that:

- (i) the defaulting Party proceeds with all due diligence to cure or cause to be cured such failure; and
- (ii) the failure can be reasonably expected to be cured or caused to be cured within a reasonable time frame acceptable to the non-defaulting Party, acting reasonably.

ARTICLE 10

TERMINATION RIGHTS

10.01 TERMINATION ON DEFAULT

Upon the occurrence of an Event of Default under this Agreement which is not cured within the permitted time period specified in Section 9.01, the non-defaulting Party shall have the right to terminate this Agreement by delivering written notice of termination to the defaulting Party whereupon this Agreement shall terminate as at the effective date of termination specified in the notice.

10.02 TERMINATION ON NOTICE

- (a) Either Party may terminate this Agreement at any time during the Term by delivering written notice to the other Party no less than 180 days in advance of the stated termination date set out in the notice.
- (b) Either Party may terminate a Service Schedule or the provision of any portion of the Services described in a Service Schedule at any time by delivering written notice to the other Party no less than 90 days in advance of the stated termination date set out in the notice, unless a greater minimum notice period is described in the applicable Service Schedule. The Party exercising its right to terminate shall provide as much advance notice to the other Party as reasonably possible in the circumstances of its intent to terminate any specified Services in accordance with this Section 10.02(b).

10.03 TERMINATION FOR CHANGE IN APPLICABLE LAW

In the event that:

- (a) there is a change in Applicable Law which materially affects either Party in relation to any of the Services; or
- (b) a Party is unable to perform any or all of the Services due to a change in policy, guidelines, codes, directives, order, decision or other regulatory action of any Governmental Authority,

then either Party shall have the right to terminate any or all of the applicable Services Requests by giving 90 days' prior written notice of termination to the other Party whereupon the specified Services or this Agreement shall terminate as of the effective date of termination specified in the notice. Notwithstanding the provision in the sentence

immediately above, the applicable Party shall provide as much advance notice to the other Party as reasonably possible (and no less than 90 days) in the circumstances of its intent to terminate any specified Services or this Agreement in accordance with this Section 10.03.

10.04 CHANGE OF CONTROL OF UTILITIES OR WCU

In the event of a Change of Control in Utilities or WCU, the entity to which control has passed may by delivery of written notice terminate any or all of the Services or this Agreement effective immediately.

10.05 CONSEQUENCES OF TERMINATION

Upon termination of any or all of the Services under this Agreement or upon termination of this Agreement for any reason:

- (a) the relevant provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for any billings, adjustments and payments related to the period prior to termination;
- (b) with respect to termination of a Service, Services or this Agreement in accordance with Section 10.02 only, the Party exercising its termination rights under Section 10.02 shall pay to the other Party a sum equal to: (i) such other Party's actual, reasonable and demonstrable demobilization costs and/or deposits paid to its subcontractors, as demonstrated by documentation reasonably requested by the Party exercising its rights under Section 10.02; less (ii) any recordable deposits paid to such other Party's subcontractors.
- (c) the termination shall not affect any rights or obligations which may have accrued prior to such termination or any other rights which the terminating Party may have arising out of the termination or the event giving rise to the termination and shall not affect the continuing obligations of either Parties under this Agreement which are expressed to continue after termination of this Agreement; and
- (d) except as provided in Sections 10.05(a) and 10.05(c), the terminating Party shall have no liability whatsoever to the other Party arising from such termination. For greater certainty, the terminating Party shall have no liability whosoever to the other Party for any special, incidental, indirect or consequential damages, lost business revenue, loss of profits, failure to realize expected profits or savings, or any damages or losses, whether based on breach of contract or tort (including negligence) or otherwise, even if the Party causing such loss or damages has been advised of the possibility of same, which the other Party may incur as a result of the termination.

ARTICLE 11
CONFIDENTIALITY AND INTELLECTUAL PROPERTY

11.01 CONFIDENTIAL INFORMATION

Each Party (the “**Receiving Party**”) shall maintain in strict confidence any and all information about the business or operations or customers of the other Party or any of their Affiliates, which it acquires in any form from the other Party (the “**Disclosing Party**”) by virtue of this Agreement (“**Confidential Information**”) and will not disclose to any third party or make use of such Confidential Information (except for the purposes of this Agreement) for itself or any third party without the prior written consent of the Disclosing Party, except as permitted herein and except where required by Applicable Law. Notwithstanding the foregoing, “**Confidential Information**” shall not include information which:

- (a) is in the public domain at the time of its disclosure to the Receiving Party or which thereafter enters the public domain otherwise than by any breach of this Agreement;
- (b) is already known to or in the possession of the Receiving Party at the time of its disclosure by the Disclosing Party as evidenced by the Receiving Party’s records;
- (c) is lawfully acquired at any time by the Receiving Party without restrictions from a third party without breach of confidentiality by such third party; or
- (d) required to be disclosed under Applicable Law, judicial decision or by order, decree, rule, regulation or requirement of any Governmental Authority,

provided no “**Confidential Information**” may be disclosed if it consists of information that is “confidential information” of Utilities for purposes of the Affiliate Relationships Code.

11.02 PERMITTED DISCLOSURE

Notwithstanding Section 11.01,

- (a) the Parties hereby acknowledge and agree that Utilities may be obligated to disclose Confidential Information relating to this Agreement to the OEB and any other Governmental Authority to which Utilities may be required to report in connection with filing a rate application with the OEB, under the Affiliate Relationships Code, the Reporting and Record Keeping Requirements or in accordance with any other Applicable Law;
- (b) the Parties hereby acknowledge that they are both subject to MFIPPA and that as a result either Party may be required to disclose Confidential Information concerning this Agreement or the other Party in accordance with the provisions of MFIPPA;
- (c) in the event that a Receiving Party is required by law to disclose any Confidential Information to a Governmental Authority, or any other person, including, without

limitation, any disclosure required pursuant to a request under MFIPPA, such Party may so disclose; provided that it shall, to the extent permitted by Applicable Law, first inform the Disclosing Party of the request or requirement for disclosure to allow an opportunity for the Disclosing Party to apply for an order to prohibit or restrict such disclosure;

- (d) WCU acknowledges and agrees that the use and disclosure of any information relating to the customers of Utilities is governed by requirements of the *Ontario Energy Board Act, 1998*, and regulations, licences, codes and procedures established by the OEB (“**OEB Requirements**”). WCU acknowledges and agrees that if any of Utilities’ Confidential Information relating to its smart sub-metering providers, wholesalers, consumers, retailers or generators is disclosed to WCU or its Representatives hereunder, WCU shall strictly comply, and shall cause its Representatives to strictly comply with the OEB Requirements, the requirements, policies or procedures of Utilities, the Affiliate Relationship Code, MFIPPA and all other Applicable Law; and
- (e) Utilities agrees and acknowledges that if any Personal Information is disclosed by WCU to Utilities or its Representatives, Utilities shall strictly comply and shall cause its Representatives to strictly comply with the requirements of MFIPPA and such other requirements, policies or procedures of WCU related to or arising from such disclosures, and all other Applicable Law.

11.03 LIABILITY FOR BREACH

Except for disclosures made pursuant to Section 11.02, as required by Applicable Law or any Governmental Authority or as required to fulfil the terms of this Agreement, each Party shall be responsible for any breach of this Agreement by the Party, its Representatives and any person to whom it discloses any Confidential Information or Personal Information. The Parties agree that a Disclosing Party would be irreparably injured by a breach of this Agreement by a Receiving Party or by any person to whom it discloses any Confidential Information or Personal Information and that monetary damages would not be a sufficient remedy. Therefore, in such event, the Disclosing Party shall be entitled to equitable relief, including injunctive relief without proof of actual damages, as well as specific performance. Such remedies shall not be deemed to be exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available at law or equity.

11.04 RETURN OF CONFIDENTIAL INFORMATION

Subject to Applicable Law, upon completion or termination of this Agreement, or upon ten (10) days written notice from the Disclosing Party requesting return or destruction of any or all Confidential Information, the Receiving Party shall forthwith return to the Disclosing Party or destroy, without retaining any copies thereof unless otherwise required by Applicable Law, all such Confidential Information.

11.05 INTELLECTUAL PROPERTY

- (a) As between the Service Provider and the Service Recipient, (i) the Service Provider shall own all Service Provider Background IP, and the Service Recipient acknowledges that it does not have and will not acquire any right, title or interest in or to any Service Provider Background IP under this Agreement; and (ii) the Service Recipient shall own all Service Recipient Background IP, and the Service Provider acknowledges that it does not have and will not acquire any right, title or interest in or to any Service Recipient Background IP under this Agreement.
- (b) With respect to a particular Service and as between the Service Provider and the Service Recipient, the Service Recipient shall own the Service Results and IP. The Service Provider agrees to assign, to the Service Recipient any and all right, title and interest in the Service Results and IP, and shall execute such documents and do all other acts and things as may be reasonably deemed necessary by the Service Recipient to effectuate all such right, title and interest. The Service Recipient will not take any action inconsistent with such right, title and interest.
- (c) To the extent that Service Provider Background IP is incorporated into the Service Results and IP, Service Provider grants to Service Recipient a fully paid, non-exclusive, irrevocable, royalty-free worldwide license, with a right of sublicense, to use such Service Provider Background IP to the extent necessary for Service Recipient to enjoy full benefit of its rights to the Service Results and IP.
- (d) During the Term, Service Recipient grants to Service Provider a non-exclusive license to use the Service Recipient Background IP and any Service Results and IP solely for the performance of the Services or to otherwise perform its obligations under this Agreement.

ARTICLE 12 FORCE MAJEURE

12.01 FORCE MAJEURE

Except for the payment of any monies required hereunder, neither Party shall be deemed to be in default of this Agreement where the failure to perform or the delay in performing any obligation is due to a cause beyond its reasonable control, including, but not limited to, an act of God, act of any Governmental Authority, civil commotion, acts of terrorism including threatened acts, strikes, lockouts and other labour disputes, fires, floods, sabotage, earthquakes, ice storms, tornado, severe and imminent weather warnings and conditions, and epidemics (each, a “**Force Majeure Event**”).

12.02 NOTICE OF FORCE MAJEURE

Once a Party becomes subject to an event of Force Majeure, it shall promptly, but in no circumstance later than five (5) Business Days after the commencement of a Force Majeure Event, notify the other Party of its inability to perform, or of any delay in performing, its obligations under this Agreement due to a Force Majeure Event and shall provide an estimate, as

soon as practicable, as to when the obligation will be performed. The Party subject to the Force Majeure Event shall also continue to furnish timely reports to the other Party with respect to the Force Majeure Event during the continuation of the said event and the said Party shall exercise all commercially reasonable efforts to mitigate or limit damages to the other Party. The Party subject to the Force Majeure Event shall use its best efforts to continue to perform its obligations under this Agreement and to correct or cure the event or condition excusing performance and when the said Party is able to resume performance of its obligations thereunder, it shall give the other Party written notice to that effect and shall promptly resume performance thereunder. The time for performing the obligation shall be extended for a period equal to the time during which the Party was subject to the Force Majeure Event. The Parties shall explore all commercially reasonable avenues available to avoid or resolve Force Majeure Events in the shortest time possible.

12.03 EXCLUSIONS

- (a) A Party shall not be entitled to invoke force majeure under this ARTICLE 12, nor shall it be relieved of its obligations hereunder in any of the following circumstances:
 - (i) if and to the extent the Party seeking to invoke Force Majeure has caused the applicable Force Majeure Event by its fault or negligence;
 - (ii) if and to the extent the Party seeking to invoke force majeure has failed to use reasonable efforts to prevent or remedy the Force Majeure Event and remove, so far as possible and within a reasonable time period, the Force Majeure Event (except in the case of strikes, lockouts and other labour disturbances, the settlement of which shall be wholly within the discretion of the Party involved);
 - (iii) if and to the extent that the Party seeking to invoke force majeure because of arrest or restraint by a Governmental Authority, such arrest or restraint was the result of a breach by such Party of Applicable Laws;
 - (iv) if the Force Majeure Event was caused by economic hardship, a lack of funds or other financial cause of a Party;
 - (v) if the Party invoking force majeure fails to comply with the notice provisions in Section 12.02, unless no undue prejudice is experienced by the Party being notified; or
 - (vi) if the failure to perform or comply with any of the covenants or obligations herein imposed upon a Party was caused by the acts or omissions of third Persons for which the Party is responsible, including any Affiliate of a Party, or any direct or indirect vendor, supplier or contractor of a Party, unless such acts or omissions are themselves caused by reason of a Force Majeure Event.

- (b) Notwithstanding Sections 12.01 and 12.02, the settlement of any strike, lockout, restrictive work practice or other labour disturbance constituting a Force Majeure Event shall be within the sole discretion of the Party involved in such strike, lockout, restrictive work practice or other labour disturbance and nothing in Sections 12.01 and 12.02 shall require the said Party to mitigate or alleviate the effects of such strike, lockout, restrictive work practice or other labour disturbance.

ARTICLE 13

DISPUTE RESOLUTION

13.01 DISPUTES

Any controversy, dispute, difference, question or claim arising between the Parties in connection with the interpretation, performance, construction or implementation of this Agreement that cannot be resolved by a director or manager from each Party (collectively, a “**Dispute**”), shall be settled in accordance with this ARTICLE 13.

13.02 NOTICE OF DISPUTE

The aggrieved Party shall send the other Party written notice identifying the Dispute, the amount involved, if any, and the remedy sought, and invoking the procedures of this Article. A senior officer with authority to bind WCU, as selected by WCU in its discretion, and a senior officer with authority to bind Utilities, as selected by Utilities in its discretion, shall confer in an effort to resolve the Dispute. If the Dispute cannot be resolved in accordance with this Section 13.02 within thirty (30) days of the date the Dispute arose, the Dispute shall be resolved by binding arbitration in accordance with Sections 13.03 and 13.04.

13.03 APPOINTMENT OF ARBITRATOR

The Parties shall submit any arbitration under this Article to a single arbitrator agreed upon by both Parties. If the Parties cannot agree upon a single arbitrator within ten (10) days after the Dispute is referred to arbitration, either Party may apply to the Court for appointment of an Arbitrator pursuant to the *Arbitration Act, 1991* (Ontario) as amended from time to time. Any arbitrator selected or appointed to act under this Agreement shall be qualified by education, training and experience to pass on the particular question in Dispute and shall have no connection to either of the Parties other than acting in previous arbitrations.

13.04 ARBITRATION PROVISIONS & DIRECTIONS

The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). The arbitration shall be conducted in the City of Windsor, Ontario unless the Parties agree otherwise. The decisions of the arbitrator shall be made in writing and shall be final and binding on the Parties as to the questions submitted and the Parties shall have no right

of appeal therefrom. All costs and expenses relating to a Dispute which is finally determined or settled by arbitration, including reasonable legal fees, will be borne by the Party determined by the Arbitrator to be liable in respect of such Dispute; provided, however, that if complete liability is not assessed against only one Party, the Parties will share the total costs in proportion to their respective amounts of liability so determined by the Arbitrator. Notwithstanding the provisions to arbitrate any Dispute hereunder, either Party may seek from a court any equitable relief (including, without limitation, injunctive relief) that may be necessary to protect such Party's rights.

ARTICLE 14

GENERAL

14.01 CHANGES TRIGGERING NEGOTIATION OF AMENDMENTS

In the event that through amalgamation or otherwise, WCU or Utilities serves a materially larger or materially smaller populace, the Parties agree to negotiate diligently and in good faith any amendments to this Agreement necessary or advisable in connection with such event including the possibility of an early termination.

14.02 ASSIGNMENT

Neither Party shall, without the prior approval of the other Party which shall not be unreasonably withheld, assign or transfer its interest in this Agreement. Except as otherwise provided, this Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this section shall be void.

14.03 NOTICES

All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

- (a) if to Utilities:

787 Ouellette Avenue
P.O. Box 1625, Station "A"
Windsor, Ontario N9A 5T7
Attention: Corporate Secretary

Fax: (519) 255-2767

- (b) if to WCU:

787 Ouellette Avenue
P.O. Box 1625, Station "A"
Windsor, Ontario N9A 5T7
Attention: Corporate Secretary

Fax: (519) 255-2767

and may be delivered to the other Party's address by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address for notification purposes by giving the other Party notice of the new address and the date upon which it will become effective in accordance with the terms of this Section 14.03. A notice shall be deemed to have been received as of the date of receipt by the Party to whom the notice is addressed. The Parties also contemplate and approve delivery of notices and documents electronically by fax or by email, and subject to verification of receipt by the other Party, such notices and documents shall be deemed for all purposes to be original documents in writing.

14.04 SEVERABILITY

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such remaining provision or remaining applicability of this Agreement shall be valid and enforceable to the extent permitted by law.

14.05 WAIVER

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

14.06 ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement among the Parties with respect to the Services, and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

14.07 AMENDMENTS

No amendment to, or change, waiver or discharge of any provision of this Agreement shall be valid unless in writing and signed by authorized Representatives of each Party.

14.08 GOVERNING LAW

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, excluding their rules governing conflicts of laws. Subject to ARTICLE 13, the Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attorn to the jurisdiction of such courts.

14.09 SURVIVAL

Section 4.01, Section 4.02, ARTICLE 5, ARTICLE 7, ARTICLE 8, Section 10.05, ARTICLE 11, ARTICLE 13, and Section 14.08 shall survive termination of this Agreement and shall remain in full force and effect.

14.10 THIRD PARTY BENEFICIARIES

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

14.11 COVENANT OF FURTHER ASSURANCES

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

14.12 COVENANT OF FURTHER ASSURANCES

This Agreement may be executed in counterparts which, taken together, shall constitute a single instrument. Execution of this Agreement by facsimile, .pdf or electronic signature and transmitted by fax machine or electronic mail shall be treated in all manner and respects as an original document. Any such fax or e-mail document shall be considered to have the same binding legal effect as an original document.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above by their duly authorized signing officers in that regard.

SIGNED, SEALED AND DELIVERED

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WINDSOR CANADA UTILITIES LTD.

Name: James Brown
Title: Vice President

Name: John Wladarski
Title: Vice President & Chief Operating Officer

We have authority to bind Windsor Canada Utilities Ltd.

ENWIN UTILITIES LTD.

Name: Helga Reidel
Title: President and CEO

Name: Byron Thompson
Title: Vice President, Finance and CFO

We have authority to bind ENWIN Utilities Ltd.

Approved for
Technical Content

SCHEDULE A
FORM OF SERVICE SCHEDULE

ENWIN UTILITIES LTD.

and

WINDSOR CANADA UTILITIES LTD.

MASTER SERVICES AGREEMENT

SERVICE SCHEDULE NUMBER __ [INSERT NUMBER]

This Service Schedule Number __ **[Insert Number]** dated _____ **[Insert Date]** is issued pursuant to, and subject to all the terms and conditions of the Master Services Agreement dated ■ (the “**Agreement**”) between *ENWIN* Utilities Ltd. and Windsor Canada Utilities Ltd. The issuer of this Service Schedule is _____ **[Specify either Utilities or WCU]** (the “**Recipient**”) and the Service provider is _____ **[Specify either Utilities or WCU]** (the “**Provider**”). The Parties agree that, except as otherwise expressly stated in this Service Schedule, this Service Schedule is governed by, and subject to all the terms and conditions of the Agreement.

Capitalized terms that are used but not otherwise defined in this Service Schedule shall have the meaning ascribed thereto in the Agreement.

1. Description of Services

The Provider shall deliver the following Services to the Recipient:

■ **[Insert scope]**

(collectively, the “**Scope of Services**”)

2. Schedule

Commencement Date: _____.

Anticipated Completion Date: _____.

3. Fees

In accordance with the Cost Recovery Methodology agreed to between the Parties and **[Insert Option 1 or Option 2 below]**.

[OPTION 1 – Fixed Fee model][in consideration for the completion of the Scope of Services, the Recipient shall pay the Provider \$■. The Provider shall invoice the Recipient and the Recipient shall pay the Provider pursuant to the terms of the Agreement.]

[OPTION 2 – Hourly Fee model][in consideration for the completion of the Scope of Services, the Recipient will be compensated according to the rates set forth below:

The Provider estimates the Work will require ■ hours at a cost of \$■ per hour. Compensation for the Work, including reimbursable expenses shall not exceed \$■ without the Recipient's prior written approval.

The Provider shall invoice the Recipient and the Recipient shall pay the Provider pursuant to the terms of the Agreement. For reimbursable expenses, the Provider must furnish the Recipient approved time sheets and receipts for expenses.]

4. Representatives

All correspondence shall be directed to the following:

The Provider's representative for the Scope of Services is _____,
Address: _____. Telephone: _____.
Title: _____. Email: _____. **[Insert details.]**

The Recipient's representative for the Scope of Services is _____,
Address: _____. Telephone: _____.
Title: _____. Email: _____. **[Insert details.]**

5. Annual Review

The Services described in Section 1 above shall be subject to an annual review to be held by the Parties on or about each anniversary of the Commencement Date on the basis of the following performance metrics:

[Insert applicable performance metrics. Typical performance metrics would include: (i) Fee analysis (i.e., did actual costs exceed estimates and how this compares to prior years); (ii) results analysis to assess whether scope of work was fully complied with; and (iii) internal and external surveys to qualitatively assess performance and receive input on means of improving the delivery of Services in the future.]

6. Termination Notice Period

[Insert if applicable. Agreement provides for 90 days prior notice of the termination of any Services.]

7. Waiver of Specific Terms and Conditions of the Agreement

[Insert any terms and conditions of the Agreement that will not apply to the Services described in Section 1 above.]

8. Other Terms

[Insert any special provisions here (if required). For example, this Service Schedule may require additional insurance requirements, certain permitting requirements, training requirements, reporting requirements, credit support (e.g., letters of credit, bonds or a holdback), changes to the terms of the Warranty, etc.]

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above by their duly authorized signing officers in that regard.

ENWIN UTILITIES LTD.

By: _____

Name:

Title:

By: _____

Name:

Title:

Date: _____

WINDSOR CANADA UTILITIES LTD.

By: _____

Name:

Title:

By: _____

Name:

Title:

Date: _____



ATTACHMENT 4 - P

ENWIN Purchasing Policy



Group of Companies

Purchasing Policy EWU – B001.03

Updated: June 5, 2017

Effective: June 27, 2017

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Part I - Ethical Considerations and Purchasing Goals

Ethical Considerations

1. EnWin adopts the tenets of:
 - a. the Code of Ethics adapted from the Supply Chain Management Association; and,
 - b. the Ontario Broader Public Sector Supply Chain Code of Ethicsin the performance of its Purchasing function.

Purchasing Goals

2. EnWin strives to meet and balance the following goals:
 - (a) **Efficiency:** Maintain the flow of goods and services to meet EnWin's needs over both the short and long term in the most cost effective manner possible.
 - (b) **Quality and Value:** Obtain Best Value for money, using a Total Cost of Ownership methodology.
 - (c) **Honesty:** Ensure Purchasing is undertaken with fairness, honesty and integrity, avoiding even the appearance of impropriety.
 - (d) **Openness:** Ensure equal access to Suppliers to opportunities to benefit from the expenditure by EnWin.
 - (e) **Transparency:** Ensure that Purchasing is undertaken in accordance with policies and procedures that are accessible to and understandable by all.
 - (f) **Accountability:** Maintain accountability through the ongoing exercise of openness and transparency.
 - (g) **Improvement:** Create an environment of continuous improvement by reducing costs, improving quality and stimulating innovation.
 - (h) **Environmental and Social Responsibility:** Encourage activities to operate in a social and environmentally sustainable manner within the context of Best Value.

Part II - Interpretation

Definitions

3. In this Policy, the following words will have the following meanings:

“Affiliate”:	With respect to a corporation, has the same meaning as in the <i>Business Corporations Act</i> (Ontario); or, as per OEB Affiliate Relationship Code.
“Award”:	When a Submission is formally accepted by EnWin, either by the Board or by delegated authority as permitted in this Policy.
“Best Value”	Approach that aims to deliver products and services with a lower Total Cost or Ownership while maintaining a high standard (optimal balance of performance and cost).
“Bid Documents”	EnWin documents used in connection with a Purchasing process including but not limited to RFTs, RFPs and RFQs.
“Bid Security”	Security to ensure that the successful Supplier on a Solicitation enters into a Contract with EnWin.
“Board”	The Board of Directors of EnWin Utilities Ltd. or any Affiliate as the case may be.
“Chief Executive Officer/CEO”	EnWin’s chief executive officer.
“Closing Date”	The place, date and time set by the Bid Documents for receipt of Responses
“Conflict of Interest”	A situation in which the personal interests of Employees, The Board, EnWin-engaged Consultants or Suppliers, as the case may be, come into conflict or appears to come into conflict with the interests of EnWin.
“Consulting Services”	The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance of execution of a specific project or undertaking and includes professional services such as engineering and architecture.
“Construction”	Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services

	related to the Construction unless they are specifically included in the Purchase. May include the securing of permits, or filing of notices.
“Contract”	A document to evidence an agreement for the purchase of Deliverables, and may include both a Purchase Order, inclusive of General Terms and Conditions, and a Formal Agreement.
“Deliverable”	The Good, Service or Construction being purchased.
“Department”	An area of operation of EnWin as defined by its organizational charts.
“Designate”	An individual duly appointed to act on behalf of the authorized authority.
“Director”	The designated lead of an EnWin Department responsible for direction and operation of a Department.
“Disposal”	The transfer of ownership of Property by EnWin by sale, trade in, donation, alternative use or destruction.
“Emergency”	Has the meaning given in section 98.
“Employee”	An employee of EnWin.
“EnWin’s Website”	EnWin’s website at http://www.enwin.com/ .
“Evaluation Team”	Individuals designated to evaluate Responses and make Award recommendations in accordance with this Policy.
“Fair Market Value”	The price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm’s length, fully informed and under no compulsion to transact.
“Formal Agreement”	A written Contract for the purchase of a Deliverable, executed by EnWin and the Supplier.
“Goods”	Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.
“Prequalification”	A request for supplier qualification or RFSQ, a process used to gather information on supplier capabilities and qualifications with the intent of creating a list of prequalified suppliers for subsequent participation in an invitational RFT or RFP.

“Property”	Includes furniture, vehicles, equipment and stock.
“Purchase”	The acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and “Purchasing” shall have a corresponding meaning.
“Purchasing Card”	A card issued in accordance with EnWin’s Purchasing card Policies and Procedures for the purchase of Deliverables.
“Purchasing Department”	The Department charged with carrying out the Purchasing function.
“Purchasing Manager”	EnWin’s Purchasing Manager.
“Purchase Order/PO”	A standard Contract issued by EnWin to a Supplier to evidence an agreement for the purchase of Deliverables.
“Purchase Price”	The amount payable by EnWin for a Deliverable pursuant to a Contract.
“Response”	A response to a Solicitation.
“RFEI”	A request for expression of interest, a process used to gather information on Supplier interest in an opportunity, or information on Supplier capabilities and qualifications. An RFEI does not create a binding relationship between EnWin and any Supplier.
“RFI”	A request for information, a process used to research which products and services are available, scope out business requirements, and/or estimate project cost. An RFI does not create a binding relationship between EnWin and any Supplier.
“RFP”	A request for proposal, a process in which a need is identified, but the method by which it will be achieved is not necessarily prescribed at the outset and price is not the only evaluation criterion.
“RFSQ”	Request for Supplier Qualification, a process used to determine which potential vendors have the best capability to meet requirements in regard to an impending RPP, RFQ, or RFT. An RFSQ does not create a binding relationship between EnWin and any Supplier.
“RFQ”	Request for quotations, including formal and informal quotations, but not including RFPs or RFTs.

“RFT”	Request for tender, a process to request supplier responses to supply Deliverables in compliance with stated requirements, performance specifications and terms and conditions and evaluation is made solely on price.
“Roster List”	List of Suppliers who will be permitted to participate in certain non-competitive Contracts anticipated to be required on a regular basis in the future.
“Services”	Intangible products not having a physical presence.
“Services Purchase Order/Outline Agreement”	A form of Contract requiring a Supplier to supply Deliverables on an “as required” basis under prearranged terms and conditions, including pricing, over the term of the Contract.
“Single Source”	The Purchase of Deliverables by non-competitive means for the reasons described in section 104.
“Sole Source”	The Purchase of Deliverables by non-competitive means for the reasons described in section 105.
“Solicitation”	Formal RFQ, RFSQ, RFT, RFP, RFI, RFEI issued by EnWin
“Specifications”	Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.
“Supplier”	A person, corporation or other entity that responds or intends to respond to a Solicitation or provides Deliverables to EnWin including but not limited to contractors, consultants, suppliers, service organizations.
“Total Cost of Ownership”	An estimate or calculation that consider all direct and indirect costs of a Deliverable over its useful life, from acquisition to disposal including, but not limited to, Contract Prices, implementation costs, upgrades, carrying costs, maintenance contracts, support contracts, licence fees and disposal costs.
“Vice President”	A member of EnWin’s Leadership Team reporting directly to the CEO.

Interpretation

4. Unless the context requires otherwise, use of the singular also implies the plural, and vice versa.
5. Whenever the words “include”, “includes” or “including” or other similar terms are used in this Policy, they are deemed to be followed by the words “without limitation.”
6. Any reference in this Policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any reference to an EnWin Policy shall be deemed to be a reference to the most current state of the EnWin Policy and any replacement Policy.
7. All dollar amounts are expressed in this Policy are in Canadian dollars.
8. Any reference to a day refers to a calendar day.
9. Any headings in this Policy are non-binding and are intended for explanatory purposes only and are not to be considered or taken into account in construing or interpreting this Policy.
10. All solicitations and processes under this Policy shall be conducted in English.

Part III - Application

Application

11. This Policy applies to all Purchasing activities carried out by EnWin and any Affiliate using this Policy with the exception of :
 - a. Those Purchasing activities set out in Schedule A;
 - b. The Purchase or Disposal of Deliverables where the laws of Ontario or Canada require the Purchase or Disposal to be carried out in some manner other than by this Policy; and,
 - c. A circumstance in which the Board directs by Board Resolution that the Purchase or Disposal of Deliverables shall be carried out in some manner other than by this Policy.
12. A Board Resolution adopted by the Board under Section 11(c):
 - a. Shall be made in response to a written management report describing the nature of the Purchase, and including advice and recommendations from both the responsible Director, Vice President, and the Purchasing Manager;

- b. Shall state that the Board is satisfied that it is necessary that the Purchase or Disposal be carried out otherwise than in accordance with this Policy and shall give the reason or reasons for so concluding;
- 13. Before adopting a Board Resolution under Section 11(c), the Board shall afford the responsible Director and Purchasing Manager an opportunity to be heard and to provide oral advice concerning the proposed Board Resolution.
- 14. Unsolicited offers are to be reviewed by the Purchasing Manager and the relevant Director. Any Purchase resulting from an unsolicited Supplier offer must comply with this Policy.

Part IV - Integrity of the Purchasing Process

Conflict of Interest

- 15. All EnWin Employees are subject to EnWin's Code of Ethics and Conflict of Interest Policy and shall disclose all conflicts of interest as required by the policy and shall take adequate steps to address any actual or perceived conflicts of interest.
- 16. No Employee or member of the Board shall knowingly cause or permit anything to be done or communicated to anyone that is likely to cause any Supplier to have an unfair advantage or disadvantage in any Purchasing opportunity.
- 17. Any EnWin Employee who becomes aware of an actual or perceived conflict of interest in relation to any Solicitation or Purchase shall immediately refer the matter to EnWin Purchasing Manager for written direction and rationale, to be maintained with the file and as required by the Code of Ethics and Conflict of Interest Policy.

Education

- 18. All EnWin Employees granted purchasing authority under this Policy shall attend training on the proper use and interpretation of the Policy.

No Discrimination

- 19. The *Discriminatory Business Practices Act* and the Trade Agreements forbid the granting of a preference to a local Supplier as a form of discrimination, therefore in compliance with the law and the Trade Agreements:
 - a. EnWin shall not discriminate between the Deliverables of a particular province, city or geographic region and the Deliverables of another province, city or geographic region.

- b. EnWin shall not discriminate between Suppliers of minority, female and disabled-owned firms.

Part V - Roles and Responsibilities

Delegates

- 20. Where any person is authorized to undertake any act under this Policy, such act may also be undertaken by a person properly designated in writing, by the authorized person.

Board

- 21. The Board shall:
 - a. Establish EnWin's Purchasing policy through approval of this Policy;
 - b. Monitor compliance with this Policy;

CEO

- 22. The CEO shall:
 - a. Impose restrictions on Purchasing activities from time to time where he or she considers necessary and in the best interests of EnWin;
 - b. Ensure the implementation of the policies established in this Policy; and,
 - c. Support the Board in satisfying the Board's role.

Vice Presidents and Directors

- 23. Vice Presidents and Directors shall:
 - a. Oversee all Purchasing activities in their areas of responsibility and be accountable for the Purchasing activities of the Employees under their supervision;
 - b. Achieve Best Value while observing the requirements of this Policy;
 - c. Identify single and multi-functional projects in budget submissions to ensure the correct dollar thresholds and Purchasing processes are used; and,
 - d. Require those Employees under their supervision having Purchasing authority to complete Purchasing Policy training.

Purchasing Manager

29. The Purchasing Manager shall:

- a. Act as the legal purchasing agent for EnWin, and its Affiliates as the case may be, under the direction of the Vice President, Finance and CFO;
- b. Provide professional purchasing advice to Departments;
- c. Monitor adherence to this Policy;
- d. Interpret and apply this Policy to all Purchasing activities and exercise discretion as prescribed where alternative courses of action are permitted;
- e. Notify Directors of non-compliance with this Policy;
- f. Notify the Board of non-compliance with this Policy if the non-compliance cannot be rectified;
- g. Provide ongoing training and education regarding this Policy;
- h. Ensure conduct of Purchasing activities in an efficient and timely manner;
- i. Dispose of surplus or obsolete material and equipment in accordance with this Policy;
- j. Purchase all goods and services for EnWin or for any Affiliate as required under the authority of the Board and in compliance with this Policy; and,
- k. Establish all necessary procedures, forms, methods and documents to carry out the objectives of this Policy

Employees

30. Employees shall :

- a. Comply with the provisions of this Policy in the performance of their duties; and,
- b. Attend Purchasing Policy training as required.

31. All Employees given authority to Purchase Deliverables under this Policy are accountable and responsible to ensure that proper budgets exist within their Departments and that Purchases do not violate any EnWin, legal, or other statutory policy, including Trade Agreements, and will be held accountable for their decisions and actions.

Suppliers:

32. Suppliers:

- a. Shall be required to disclose any and all Conflicts of Interest to EnWin prior to or contemporaneously with making a Response;
 - b. Shall not engage in any form of bid rigging or collusion of any nature; and,
 - c. Shall be forbidden to engage in any conduct which is or could reasonably be construed as any form of political or other lobbying, or as an attempt to influence the outcome of any Purchasing process during the currency of any process prior to an Award.
- 33. Failure by a Supplier to adhere to the standards established in section 32 may result in disqualification from participating in EnWin Purchasing opportunities, in the discretion of the CEO.
- 34. Where an employee wishes to have a Supplier present product or other information to EnWin outside of a specific Purchasing process the employee must provide details pertaining to the meeting with a supplier to the Purchasing Department after the event transpires and before any purchasing activities are engaged.

Part VI - Approval Authorities

Threshold Calculation and Anti-Avoidance

- 35. In calculating the Purchase Price for the purposes of determining the necessary approvals and procedures, all taxes and duties shall be excluded. In the case of multi-year Contracts, the Purchase Price will be the estimated annual expenditure under the Contract.
- 36. No action shall be taken to subdivide Purchases in order to reduce the estimated Contract Price or to otherwise avoid or circumvent the application of any of the provisions of this Policy.

Administrative Approval

- 37. The CEO may:
 - (a) Approve a requisition and make an Award of up to \$249,999.99 CAD, provided the funds have been included in the Board-approved operating or capital budget;
 - (b) Approve a requisition and make an award of an RFT of any dollar value provided the funds have been included in the Board-approved operating or capital budget, and the RFT Response does not exceed that approved budget;
 - (c) Delegate his or her authority to in this section to any employee, where such delegation must be in writing.

38. Vice Presidents may approve a requisition and make an Award of up to \$149,999.99 CAD and Directors may approve a requisition and make an Award of up to \$49,999.99 CAD, provided the funds have been included in the Board-approved operating or capital budget. Delegation of this authority to any Employee requires the prior written approval of the CEO.
39. Where no funds exist within the Board-approved operating or capital budgets, Board approval is required prior to the initiation of the Purchase of a Deliverable.

Board Approval

40. The Board must approve the purchase of any Deliverables where:
 - a. The Purchase Price is greater than \$249,999.99 CAD and the CEO does not otherwise have authority to approve the purchase under section 37;
 - b. The lowest compliant Response exceeds the approved budget, including any contingency allowance;
 - c. Federal or provincial government or any other body having jurisdiction requires Board approval for a Purchase or Contract;
 - d. The Contract includes financing terms with details specified utilizing EnWin Operating Lease Approval Form;
 - e. The Board requires that it approve the purchase; or,
 - f. Any other instance in which the Purchasing Manager and Vice President, Finance and CFO acting together or the CEO feels it would be in the best interests of EnWin to do so.
41. In the event of a conflict, the sections in this Part supersede any other provision in this Policy

Part VII – Purchasing Specification & Planning

Specifications

42. Departments are responsible to provide all Specifications necessary for a Solicitation and are responsible for the accuracy and suitability of those Specifications.
43. The Purchasing Department may review and recommend improvements or clarifications to Specifications when, in the opinion of the Purchasing Manager, it is necessary to meet the objectives of the Solicitation.

44. Specifications shall be a clear description of the requirements to be met in the Contract and should not be brand-specific if possible.
45. If Specifications are developed by an external Consultant, the external Consultant is not permitted to submit a Response in the Solicitation for which the Specifications were prepared.
46. In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, acquisition of Deliverables will ensure that wherever possible, Specifications provide for expanded use of durable products, reusable products, and products (including those used in Services) that contain the maximum level of post-consumer waste and/or recyclable content, without significantly affecting the intended use of the Deliverable and providing that a cost analysis supports that these products are made available at competitive prices.

Request for Information (RFI) & Request for Expression of Interest (RFEI)

47. If the scope or nature of the Deliverable to be purchased is unclear, an RFI shall be used to gather information from the marketplace on the availability of goods and services.
48. If the level of Supplier interest in supplying a Deliverable is unclear, an RFEI shall be used to gather information from the marketplace on Supplier interest.
49. A Response to an RFI or an RFEI shall not be used as a Prequalification and shall have no influence on a Supplier's chances of Award on a subsequent Solicitation.

Request for Supplier Qualification (RFSQ)

50. A Prequalification may be used where:
 - a. It is desirable to create a list of Suppliers to use for one or more future Purchases;
 - b. The qualifications of the Supplier are paramount having regard to the complexity, cost, potential *Occupational Health and Safety Act* risk, or to specialized equipment, material or financing requirements; or,
 - c. The standard of performance of the Deliverables has been established
51. The Prequalification shall include:
 - a. A description of the Deliverable affected by the Prequalification;
 - b. Duration of validity of the Prequalification;
 - c. A statement that only Prequalified Suppliers will be permitted to participate in the Solicitation;

- d. A provision that EnWin is in no way obligated to call on a Supplier as a result of the Prequalification to supply the Deliverable referenced in the Prequalification; and,
 - e. An evaluation committee, which includes appropriate staff and/or consultants, that will evaluate and rank the submissions.
52. Where a Prequalification is established for a Solicitation, only prequalified Suppliers may participate in the Solicitation.

Part VIII - Purchasing Methods

Determination

53. Purchasing methods are determined based on the threshold calculation rules at section 35. Purchasing methods cannot be combined. Solicitations can be conducted in an electronic format, at the sole discretion of the Purchasing Manager.

Purchasing Card

54. Authorized Employees have the authority to use Purchasing Cards for Purchases up to the transaction limit established for the Purchasing Card.
55. Use of Purchasing Cards must be in compliance with current EnWin Purchasing Card Policies and Procedures as amended from time to time.

Informal Preliminary Estimates

56. Departments have the authority to solicit preliminary estimates for budgetary purposes for Deliverables without the direct involvement of the Purchasing Department when all of the following apply:
- a. Seeking to clearly define a Specification and/or a budgetary cost for future formal quotation; and,
 - b. No Service Purchase Order/Outline Agreement exists for the Deliverables.
57. Estimates may be given by any written means of communication, including facsimile and email.
58. Each Supplier shall:
- a. Only be permitted to submit one estimate; and,
 - b. Not be permitted to change its estimate or negotiate after submitting its estimate.

59. The Purchasing Department shall have the authority to solicit additional quotations, based off the scope of work defined in the estimates.
60. The Purchasing Department shall receive all records of Supplier Responses.
61. The Purchasing Department shall utilise the Informal Preliminary Estimates to devise the formal method of quotation required for the deliverable (RFQ, RFT, RFP)

Informal Quotation (\$0 to \$15,000)

62. Departments have the authority to solicit quotations for Deliverables without the direct involvement of the Purchasing Department when all of the following apply:
 - a. Total dollar amount between \$0 and \$15,000;
 - b. Clearly defined Specifications; and,
 - c. No Blanket Contract exists for the Deliverables.

Employees are encouraged to utilize the purchasing department to obtain quotes for products and services with clearly defined specifications and direct involvement of the requesting department does not add value and new information to the process

63. Only those Suppliers invited to give quotations will receive notice.
64. At least three quotations must be solicited. If three Responses are not received, the Purchasing Department will assist the Department in obtaining the quotations. If the Purchasing Department is unable to obtain three quotations, the Purchasing Manager may waive this provision, in his or her discretion.
65. Quotations may be given by any written means of communication, including facsimile and email.
66. Each Supplier shall
 - a. Only be permitted to submit one quotation; and,
 - b. Not be permitted to change its quotation or negotiate after submitting its quotation.
67. The Purchasing Department shall have the authority to solicit additional quotations if it is in the best interests of EnWin to do so.
68. The Supplier submitting the most favourable compliant Response will be Awarded a Contract for the Deliverables.
69. The Purchasing Department shall receive all records of Supplier Responses from the requisitioning department prior to issuing a Purchase Order for the Deliverables.

Formal Quotation (\$15,001 to \$50,000)

70. The Purchasing Department has the authority to solicit formal quotations for Deliverables when all of the following apply:
 - a. Total dollar amount is between \$15,001 and \$50,000;
 - b. Two or more sources are considered capable of supplying the Deliverable;
 - c. Service Purchase Order/Outline Agreement does not exist;
 - d. Clearly defined Specifications.
71. Only those Suppliers invited to give quotations will receive notice.
72. Suppliers shall be informed as to the Specifications, Response requirements, including place, date and time for making Responses and information that could influence a Supplier's decision to provide a Response or influence Supplier pricing.
73. Response requirements shall provide that Suppliers:
 - a. Only be permitted to submit one written quotation;
 - b. Not be permitted to change their written quotations or negotiate after making a submission; and
 - c. Be required to reflect the Specifications in their Response.
74. The Supplier submitting the most favourable compliant Response will be Awarded a Contract for the Deliverables.
75. A Contract will be issued for the Deliverables.
76. The Purchasing Manager has the discretion to require an RFT or an RFP be conducted for Deliverables.

Request for Tender (RFT) (>\$50,000 or less as determined by the Purchasing Manager)

77. An RFT shall be issued when all of the following apply:
 - a. Two or more sources are considered capable of supplying the Deliverable;
 - b. Service Purchase Order/Outline Agreement does not exist;
 - c. Clearly defined Specifications; and,

- d. Purchase Price is the sole criterion for Award.
78. If a cost-sharing agreement is in place for a Construction project of which EnWin is not the owner, a competitive procurement process must take place, if the amount of EnWin's share exceeds the greatest of 10% of the cost-sharing agreement value or \$50,000.00 CAD.

Request for Proposal (RFP) (>\$50,000 or less as determined by the Purchasing Manager)

79. An RFP shall be issued when all of the following apply:
- a. Two or more sources are considered capable of supplying the Deliverable;
 - b. Service Purchase Order/Outline Agreement does not exist;
 - c. EnWin's need is identified, but the means of accomplishing it is not identified and may be comprised of many variables; and,
 - d. Purchase Price is not the sole criterion for Award.
80. Notice shall be given:
- a. In any publication or forum deemed relevant by the responsible Director and Purchasing Manager.
81. In the case of Construction with a value of \$250,000.00 CAD or more, and non-Construction with a value of \$100,000.00 CAD or more, notice shall be given through Biddingo.com or another electronic tendering system equally accessible to all Canadian Suppliers.
82. Every RFT/RFP/RFQ shall set out:
- a. The manner in which communications are handled during the RFT/RFP/RFQ;
 - b. Response requirements, including time, date and location of closing;
 - c. Any information that could influence a Supplier's decision to submit a Response, or could influence Purchase Price;
 - d. The manner in which the Response is to be evaluated, including a listing of mandatory requirements and any rating criteria;
 - e. Required Contract terms, including provisions for any extension or renewal options;
 - f. Responses may be withdrawn upon the submission of written instructions to do so and submitted prior to the Closing Date.

- g. That the purchasing department will notify both the successful and unsuccessful respondents of their disposition in the outcome of the RFT/RFP/RFQ, via written communication.
- 83. Suppliers shall be required to register with the Purchasing Department providing any required information to be deemed an approved supplier. The Purchasing Manager has the discretion to reject the Response of any Supplier who has not registered with the Purchasing Department.
- 84. During the currency of an RFP/RFT/RFQ:
 - a. Except at a meeting to which Suppliers have been invited, no oral questions will be taken and no oral answers will be given; and,
 - b. All Supplier questions will be asked in writing, and any response given will be given in writing to all Suppliers participating in the RFP/RFT/RFQ; and,
 - c. Communication by Suppliers and potential Suppliers with EnWin shall be through the Purchasing Department only, in the manner directed in the RFP/RFT document.
- 85. The Closing Date for all RFP/RFT/RFQ shall be set for a weekday, excluding provincial and national holidays.
- 86. Only Responses meeting the requirements set out in the RFP/RFT/RFQ shall be opened. Any Response not meeting the Submission requirements shall be returned unopened to the Supplier. If multiple Responses are received from a Supplier, the last Response made before the Closing Date supersedes all prior Responses, except in the case of an RFP in which alternate Responses are permitted.
- 87. RFP/RFT/RFQ shall be opened in private at a meeting of the Evaluation Team, or at least two members of the Purchasing Department or in accordance with the instructions provided in the solicitation document.
- 88. Evaluation of Responses shall be in accordance with the terms of the RFP/RFT/RFQ. Any Response disqualified during the evaluation process shall not be further evaluated or considered.
- 89. Irregularities in Responses shall be addressed in accordance with Schedule B to this Policy.
- 90. If two equal Responses are received, any process described in the Bid Documents shall be followed to end the tie. If no process is prescribed in the Bid Documents to address equal Responses, or if the process fails to end the tie, the responsible Director and the Purchasing Manager may, in his or her discretion, re-evaluate the Responses in accordance with their terms to attempt to end the tie.

91. RFPs/RFTs/RFQs may be cancelled by the Purchasing Manager at the request of a Director requiring the Purchase at any time until Award if:
 - a. Adequate budget is not available; or,
 - b. The Deliverable is no longer required; or,
 - c. Only one response was received; or,
 - d. The Purchasing process was or may have been compromised.
92. Notice of Contract Award shall be communicated to the Proponent(s) by the Purchasing Department.

Part IX - Special Circumstance Purchases

Lease and Financing

93. The acquisition of any Goods through the use of a lease shall comply with the requirements for EnWin's Operating Lease Approval Form and no Purchasing process shall be initiated until all necessary approvals are received under that form. Once a lease based purchase is approved, purchasing activities outlined in Part VIII shall be applied to the extent possible as determined by the Purchasing Manager.

Service Purchase Orders/Outline Agreements

94. Where a Service Purchase Order/Outline Agreement exists for Deliverables to be purchased, those Deliverables must be purchased under the Service Purchase Order/Outline Agreement.
95. Service Purchase Order/Outline Agreements can be established by the Purchasing Department when all of the following criteria are met:
 - a. One or more Departments repetitively orders the same Deliverables or range of Deliverables and the actual demand (including quantity, delivery date, and delivery point) is not known in advance;
 - b. The Deliverables are readily available to be ordered ("called up") as and when the requirement arises; and,
 - c. Prearranged prices or a prearranged pricing basis can be established at the outset and there is no need or intention to negotiate them at call-up.

96. Service Purchase Order/Outline Agreements shall be established by the competitive Purchasing method prescribed by the estimated annual value of the Service Purchase Order/Outline Agreement.
97. The Purchasing Manager shall maintain a list detailing Service Purchase Order/Outline Agreements and the associated Deliverables, Suppliers and pricing.

Emergency Purchases

98. An “Emergency” is defined as:
 - a. An imminent or actual danger to the life, health or safety of an official, the public, or an employee while acting on EnWin’s behalf;
 - b. An imminent or actual danger of injury to or destruction of property belonging to EnWin or to property owned by a third party to whom EnWin would be liable;
 - c. An unforeseen interruption or threat of an interruption of an essential public service;
 - d. An emergency as defined by the *Emergency Management Act* and the Emergency Response Plan formulated by EnWin;
 - e. A spill of a pollutant as contemplated by the *Environmental Protection Act*.
99. In the event of an Emergency requiring the purchase of goods or services to alleviate the Emergency, goods and services may be purchased by the most economical and expedient means, notwithstanding this Policy, as follows:
 - a. \$99,999.99 CAD and Under: Directors have the authority to approve Emergency Purchases under \$99,999.99.
 - b. Between \$100,000.00 CAD and \$249,999.99 CAD: On the recommendation of the Director, a Vice President has the authority to approve Emergency Purchases between \$100,000.00 CAD and \$249,999.99 CAD.
 - c. \$250,000.00 CAD and above: On the recommendation of the Director and Vice President, the CEO has the authority to approve Emergency Purchases of \$250,000.00 CAD and above.
100. As soon as reasonably possible following the Emergency Purchase, the responsible Department Director shall submit an Emergency Purchase report in the prescribed form to the Purchasing Manager and an information report to the CEO describing the circumstances of the Emergency.
101. If the Emergency Purchase is above \$99,999.99 CAD, the responsible Director shall bring an information report to the Board at the next available meeting.

Negotiation

102. Unless permitted by the Bid Documents, no negotiation shall be permitted within a Solicitation.
103. Deliverables may be acquired through negotiation if previously approved by the Purchasing Manager based on one of the following circumstances:
 - a. Goods being purchased by single or sole source under section 104 or 105 ;
 - b. Where the lowest compliant Bid exceeds the available budget and it is impractical to recall the Solicitation;
 - c. No compliant bids are received on a Solicitation and it is impractical to recall the Solicitation; or,
 - d. Goods or services are required in response to an Emergency as defined by this Policy.

Single Source

104. A non-competitive direct award of Contract may be used to purchase Deliverables from EnWin funds only with the prior approval of the Purchasing Manager under the following circumstances, together with the appropriate approvals as outlined in Part VI of this policy:
 - a. Where there is only one Response to a competitive process and EnWin chooses to move forward based on the need for the Deliverable.
 - b. To purchase an item for testing or trial use;
 - c. Where Deliverables are in short supply due to market conditions, including geographic limitations and lack of competition;
 - d. To exercise a purchase option under a rental contract;
 - e. To purchase Goods offered for sale by auction or tender, provided the CEO authorizes the submission of a bid;
 - f. Where a competitive method of purchasing could interfere with EnWin's ability to maintain security or order, or to protect human, animal or plant life;
 - g. Where a Contract contains an option for renewal, the Director may request the Purchasing Department to exercise such option provided;
 - h. Where Deliverables relating to matters of a confidential or privileged nature are required and disclosure of these matters could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest;

- i. Where an unforeseeable situation of urgency exists and competitive methods of purchasing would result in EnWin's inability to obtain the Deliverable in time.

Sole Source

105. A non-competitive direct award of Contract may be used to purchase Deliverables from EnWin funds only with the prior approval of the Purchasing Manager under the following circumstances:
 - a. Where there is no Response to a competitive process;
 - b. To ensure compatibility with existing products and services, to recognize exclusive rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
 - c. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
 - d. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
106. Single and Sole source purchases of Deliverables with a purchase price in excess of \$249,999.99 or pursuant to a funding agreement require consultation with the Purchasing Manager, and approval of the Board.

Roster

107. Where a Roster List exists for the Consulting Services sought to be purchased, Purchasing from such Roster List shall be permitted (but not required) if the purchase price is less than \$99,999.99.
108. Roster Lists shall be developed when it is determined that a Roster List would assist EnWin in the formation of strategic relationships to better serve EnWin's Purchasing needs. The CEO has the authority to require the establishment of a Roster List. The Purchasing Manager and Vice Presidents may recommend the use of a Roster List to the CEO at their discretion.
109. Roster Lists shall only be valid for three (3) years and thereafter cannot be used unless updated by a new Prequalification.
110. Roster List Awards shall be made at the discretion of the responsible Vice President based on an equitable distribution of Awards to the Suppliers on the relevant Roster List and provided that an acceptable Contract can be negotiated with the Supplier.
111. Roster List Awards shall be evidenced by a Formal Agreement, outlining the terms of distribution for the work amongst awarded vendors.

Cooperative Purchasing

112. The Purchasing Manager is authorized to enter into arrangements with other Local Distribution Companies (“LDCs”), area municipalities, local boards and other public bodies or authorities for the purchase of Deliverables on a cooperative or joint basis where there are economic advantages to doing so; provided that under any such approved arrangement the methods utilised are competitive and adequate arrangements have been made for the provision of all necessary support required by the Purchasing method chosen.

Long Term Agreements

113. A competitive award of a Long Term Agreement, properly authorized in accordance with this policy, may be used to purchase Deliverables from EnWin funds for a contract of up to six years in duration. This enables EnWin to partner with a company at pre-determined prices whereby both parties have greater transparency to each other’s operations for the purpose of more efficiently satisfying EnWin’s Deliverables needs. This may include, but not be limited to; minimum/maximum annual quantities, divulging of all cost structures from the vendor, sharing of processes and procedures from EnWin.

Part X - Security, Insurance and Indemnity

Bid Security

114. EnWin reserves the right to require Bid Security in the form of any one or more of the following:
- a. Financial bonds issued by a bonding company approved to transact business in Ontario;
 - b. Certified cheques, bank draft or money order drawn on any bank named in Schedule I or II to the *Bank Act* (Canada), any trust or loan company registered under the *Loan and Trust Company Act* (Ontario), the Province of Ontario Savings office, or a credit union as defined in the *Credit Unions and Caisses Populaires Act* (Ontario);
 - c. An Irrevocable letter of credit naming EnWin as beneficiary.

Performance Security and Labour and Materials Security

115. Performance security and labour and material payment security are required for all Construction Purchases over \$99,999.99 CAD.
116. Performance security is required for all non-Construction Purchases over \$99,999.99 CAD.

117. The Purchasing Manager may require labour and material payment security for non-Construction projects over \$99,999.99 CAD if the Purchasing Manager deems such security to be in the best interests of EnWin.
118. Where performance security and labour and material payment security are required, the amount of such security shall be 50% of the amount of the Purchase Price, provided that the Purchasing Manager and the Director shall have the discretion to require security in excess of 50% of the amount of the Purchase Price, if in their opinion it would be in the best interests of EnWin to do so.

Indemnity

119. EnWin shall be indemnified for and against any claim, loss, cost or damage resulting from a Supplier's obligations under a Contract.

Insurance

120. Bid documents shall disclose all necessary insurance as established by the Purchasing Manager from time to time and defined in Schedule "C."
121. All insurance must be in a form satisfactory to the Purchasing Manager and shall be delivered prior to the commencement of work, to remain in force for the duration of the Contract inclusive of any maintenance period and shall:
 - a. Name EnWin as an additional insured;
 - b. Be primary and non-contributing;
 - c. Contain a "cross liability/separation of insureds" clause; and,
 - d. Not be altered, cancelled or permitted to lapse without 30 days' prior written notice to EnWin by the insurer
122. The Supplier shall also maintain adequate insurance of its own interests in completing the Contract.

Occupational Health and Safety

123. Prior to the commencement of the work, the Supplier shall deliver a Certificate of Clearance from the Workplace Safety and Insurance Board to evidence an account in good standing, or, if the Supplier is exempt from membership, satisfactory evidence of such exemption.
124. All Suppliers shall strictly comply with all *Occupational Health and Safety Act* requirements and shall indemnify and hold harmless EnWin in respect of same, including any legal costs, fines or other penalties incurred by EnWin resulting from the Supplier's performance of the Contract terms.

Part XI - Contracts

Types of Contracts

125. An Award can be evidenced by a Purchase Order and/or a Formal Agreement.
126. The Purchasing Manager shall determine whether a Purchase Order or a Formal Agreement is required with a Supplier, having regard to the nature of the Deliverable, the complexity of the Purchase, and the risks, terms and conditions applicable to the Purchase.
127. The Purchasing Manager shall prepare or approve any Formal Agreement required by section 117.

Management Authority to Sign Contracts

128. The Purchasing Manager has the authority to sign Purchase Orders which shall be in a standard form recommended and reviewed at a minimum of every five years by EnWin's duly appointed legal counsel.
129. If a Formal Agreement is required for a Purchase that would fall within the administrative purchasing authority and would therefore not otherwise require Board approval, the CEO and responsible Vice President are authorized to sign the Formal Agreement on behalf of EnWin, provided the Formal Agreement is satisfactory in form to the Purchasing Manager, satisfactory in financial content to the CFO or designate which shall be the Director, Finance, and satisfactory in technical content to the Vice President or designated Director responsible for the Department making the purchase.
130. Unless otherwise duly authorized by Board Resolution or Board approved Policy, no other Employees are permitted to sign Contracts on behalf of EnWin for the Purchase of any Deliverable.

Contract Renewals and Extensions

131. Where a Contract contains an option for renewal, the Director may request the Purchasing Department to exercise such option, thus entering into a single source, provided that:
 - a. In the opinion of the Director and the Purchasing Manager, the Supplier's performance under the prior term of the Contract has been satisfactory and has met the requirements of the Contract;
 - b. The Director provides a written explanation to the Purchasing Manager as to why the renewal is in the best interests of EnWin;

- c. The Director and the Purchasing Manager agree that the exercise of the option is in the best interests of EnWin;
- d. Funds are available in the appropriate accounts within the Board approved budget including authorized revisions to meet the proposed expenditure;
- e. The dollar amount does not exceed \$249,999.99 CAD; and,
- f. The Contract is not otherwise required to be brought before the Board.

Contract Amendments and Revisions

- 132. No amendment or revision to a Contract shall be made unless, in the opinion of the Purchasing Manager, that amendment or revision is in the best interests of EnWin.
- 133. No amendment changing the original Purchase Price of a Contract shall be agreed to without a corresponding change in the requirement or scope of work.
- 134. The CEO has the authority to approve Contract amendments where:
 - a. The Contract was originally approved by the Board, and the amendment is \$249,999.99 CAD or less and it does not exceed the Board approved budget for that expenditure;
 - b. Or, the CEO approved the Award of Contract under section 37(b) and the amendment does not exceed the Board-approved budget for that expenditure.
- 135. The Board must approve amendments that result in:
 - a. A significant change in the scope of work;
 - b. An overrun of the approved budget.; or,
 - c. The Purchase Price is, or exceeds \$250,000.00 CAD, except where the CEO has authority to approve the Contract Amendment under section 125(b).

Part XII – Supplier and Material Management

Performance Management

- 136. The Purchasing Manager is responsible for EnWin's Supplier performance management system.

Supplier Suspension

- 137. EnWin may, but shall not be obligated to, at the discretion of the CEO, or the Board of Directors, suspend a Supplier from participating in EnWin's Purchasing activities by reason of:

- a. Litigation or engagement in legal action between the Supplier or any officer or director of the Supplier, directly or indirectly through another corporation, and EnWin or any Affiliate of EnWin, EnWin Consultants engaged by EnWin in respect of a specific Solicitation, or Employees in relation to any other Contract or service or any matter arising from EnWin's exercise of its powers, duties or functions if the litigation is likely to affect the Supplier's ability to work with Employees or EnWin Consultants or to cost additional staff and legal costs in the administration of a Contract with the Supplier;
 - b. Poor past performance by the Supplier, failure to meet specifications or health and safety violations, as documented by the Director and provided to the Purchasing Manager;
 - c. A failure by the Supplier to satisfy a debt due to EnWin; or,
 - d. A withdrawal by a Supplier of a Response after the Award of an RFT, or the Award of an RFP.
138. The CEO, in consultation with the Purchasing Manager, may prohibit a Supplier from participating in EnWin Purchasing activities due to poor performance.
139. A Supplier shall be given an opportunity to respond to an allegation of poor performance.
140. A suspension shall be lifted at the discretion of the CEO if the suspended Supplier demonstrates to EnWin that the reasons leading to the suspension have been satisfactorily addressed and that the Supplier no longer poses a performance risk to EnWin.

Material

141. The Purchasing Manager shall be responsible for inventory management and shall ensure a physical inventory of stock items be taken on a periodic basis and shall allow for adequate inventory obsolescence.
142. The Purchasing Manager may alter the source of supply of a Deliverable if it is in the best interests of EnWin to do so.
143. Upon receipt of Deliverables, Departments shall:
- a. Promptly inspect the Deliverable for compliance with the terms of the Contract;
 - b. Advise the Purchasing Department promptly of any deviation from the terms of the Contract; and,
 - c. Assist the Purchasing Department as required to rectify deficiencies or deviations.

Part XIII - Disposal of Surplus and Obsolete Goods

Identification of Goods

144. The Purchasing Manager shall have the authority to dispose of material declared to be surplus in accordance with this section.
145. Each Department Head shall submit a report to the Purchasing Manager identifying surplus items, being all goods, equipment and stock which is no longer being used, or which has become obsolete, worn out or otherwise incapable of being used.

Means of Disposal

146. The Purchasing Manager shall first determine if the items may be of use to other EnWin Departments and may authorize distribution.
147. If the surplus items cannot be used by EnWin Departments, the Purchasing Manager may dispose of them by any of the following methods:
 - a. Sold or traded to the original supplier, distributors, or others in that line of business that do not intend to be the end users of the item, thus eliminating liability from EnWin;
 - b. Sold for scrap value;
 - c. Recycled;
 - d. Sold by tender or public auction;
 - e. Donated to a charitable organization; or,
 - f. Any other means appropriate and in the best interests of EnWin, while eliminating liability.
148. If the surplus items may not otherwise be disposed of, they shall be scrapped.
149. Disposal of surplus Items valued at \$250,000.00 CAD or more must receive prior Board approval.
150. No employee or related party may receive surplus items except by purchase through means of a third party auction.

Hazardous Material

151. Disposal of unsafe or hazardous surplus items is the responsibility of the originating Department and shall be conducted in accordance with this Policy.

Part XIV - General Administration of this Policy

Records and Information

152. Purchasing records will be retained in accordance with EnWin's Record Retention Policy.
153. EnWin is subject to the *Municipal Freedom of Information and Protection of Privacy Act*. Subject to the provisions of that Act, EnWin will use reasonable efforts to safeguard the confidentiality of any information identified by a Supplier as confidential, but shall not be liable in any way whatsoever if such information is disclosed.

Reporting Requirements

154. The following reports are required:

- a. Disposal of Surplus Goods Report

The Purchasing Manager shall provide an annual information report to the Board disclosing all Surplus Items disposed of under Part XIII of this Policy.

- b. Single / Sole Source Report

The responsible Director and the Purchasing Manager shall provide an annual information report to the Board disclosing all Single / Sole sourced open Contracts.

- c. Rostered Consultant Report

The responsible Vice President and the Purchasing Manager shall provide an annual report to the Board disclosing all Consultants engaged through any rostering process in Part IX of this Policy.

Review of Policy

155. This Policy is the responsibility of the Purchasing Manager and shall be reviewed and amended as required at a minimum every five years.
156. Internal and external stakeholders shall be consulted in making amendments to this Policy.

Specific Departmental Purchasing Rules

157. EnWin's Vice President, Finance and CFO shall initiate and submit recommendations with respect to group benefits, banking and professional services, and debenture sales.

158. The purchase of any computer equipment subject to a departmental maintenance fee, software, photocopiers and telecommunications equipment are subject to the prior approval of the Director of Information Technology.

Procedures

159. The Purchasing Manager has the authority to establish processes and procedures for implementing this Policy and to amend those procedures as required in the best interests of EnWin with the concurrence of the CEO and Vice President, Finance and CFO.

Schedules

160. Schedules A, B and C form part of this Policy. The Purchasing Manager has the authority to amend those Schedules as required in the best interests of EnWin with the concurrence of the CEO. Any amended schedules must be forwarded to all Vice Presidents and Directors of EnWin.

Review of Purchasing Files

161. The Purchasing Manager has the authority to randomly review Departmental purchasing files to monitor the effectiveness of the Policy and Procedures, and to ensure compliance with this Policy.

Repeal

162. Policy EWU – B001.01 **BE REPEALED** upon the effective date of this Policy.

Effective Date

163. This Policy shall come into force and take effect on the 30th day after Board approval.

Transition Rules

164. Notwithstanding its repeal, any Purchases begun but not yet completed by the Effective Date of this Policy shall be completed in accordance with the terms of Policy EWU – B001.03.

Title

165. This Policy shall be referred to as the “Purchasing Policy.”

Schedule A to Policy EWU – B001.03 - Exemptions

Exempt Purchases

The purchase of the following is exempt from the application of this Policy, but subject to other EnWin Policies such as the Delegation of Authority or Human Resource Policies:

- 1. Employer Expenses** including:
 - a. Salaries and benefits
 - b. Payroll deductions and remittances
 - c. Licenses
 - d. Training and education, including conferences and memberships
 - e. Reimbursable employee expenses as defined in the Travel and Business Expense Policy
- 2. Governmental Charges** to and from other governmental bodies including Federal, Provincial and Municipal.
- 3. Periodic payments** including:
 - a. Debenture payments
 - b. Agency grants
 - c. Sinking fund payments
 - d. Postage
 - e. Utilities
 - f. Telephone, data and television services including installations and repairs
 - g. Other potentials may arise, but will only be included if approved by the CEO
- 4. Settlements, awards and deductible payments** for legal and/or insurance purposes.
- 5. Magazines, books, newspapers and periodicals**
- 6. Marketing, Advertising & Publications**
- 7. Maintenance and license agreements** for IT systems currently in place. (i.e. SAP, ESRI, NorthStar)
- 8. Auditing, Tax and Legal Services and support** in accordance with the delegation of authority to EnWin Director of Finance and EnWin Director of Regulatory Affairs, respectively.
- 9. City of Windsor or Rail Works Services** where the City of Windsor or the railway, as the case may be, carries out works at the behest of EnWin.

Schedule B to Policy EWU – B001.03 – Irregularities

Nature of Irregularity

1. Any deviation from the requirements of the Bid Documents is an irregularity. An irregularity may be:
 - a. Major, affecting price, quality, quantity or delivery and is material to the Contract or required by the Bid Documents; or,
 - b. Minor, affecting form rather than substance.

2. Where discretion exists to determine whether an irregularity is major or minor, the Purchasing Manager, the responsible Director and the Vice President shall jointly evaluate the irregularity to determine its nature in the context of the applicable Solicitation.

3. Except as noted herein, irregularities cannot be cured.

	Irregularity	Action
1.	Late Response	<ul style="list-style-type: none"> • Response rejected • Response returned unopened to Supplier
2.	Envelope not sealed	<ul style="list-style-type: none"> • Response rejected • Response returned unopened to Supplier

3.	Response completed or signed in erasable medium	<ul style="list-style-type: none"> • Response rejected
4.	Response does not bear an original signature	<ul style="list-style-type: none"> • Response rejected
5.	All sections of Bid Documents not completed	<ul style="list-style-type: none"> • Response rejected if the effect is a Major irregularity
6.	Minor clerical errors on Response	48 hours to initial
7.	Minor mathematical errors on Response	<ul style="list-style-type: none"> • Unit pricing prevails; 48 hours to initial •

9.	Missing or insufficient Bid Bond	<ul style="list-style-type: none"> • Response rejected
10.	Missing or insufficient agreement to bond	<ul style="list-style-type: none"> • Response rejected
12.	Any other Major irregularity	<ul style="list-style-type: none"> • Response rejected
13.	Any other Minor irregularity	<ul style="list-style-type: none"> • May be waived at discretion of Purchasing Manager, responsible Director and Vice President, acting jointly

Schedule C to Policy EWU – B001.03 – Insurance Requirements

AGREEMENT/EVENT TYPE	INSURANCE REQUIRED
Encroachment Agreement	\$2 million general liability
Subdivision Agreement	\$5 million general liability \$5 million environmental pollution liability \$2 million auto liability
Consultant Agreement	\$2 million general liability \$2 million professional errors and omissions liability
Agreements of a general nature for provision of goods and/or services	\$2 million general liability
Builder's Risk Insurance	Cost of project

Other matters not specifically addressed in this Schedule	As determined by the Purchasing Manager
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The Vice President, Finance and CFO has the authority to modify or waive insurance requirements if, in his or her sole discretion, to do so would not result in harm or undue risk to EnWin.



ATTACHMENT 4 - Q

Regulatory Cost Schedule

Board Appendix 2-M

TO BE UPDATED AT THE DRAFT RATE ORDER STAGE

File Number: EB-2019-0032
 Exhibit: 15/03/2019
 Tab: SS
 Schedule:
 Page:
 Date: 29/03/2019

Appendix 2-M Regulatory Cost Schedule

Regulatory Cost Category	USoA Account	USoA Account Balance	Last Rebasing Year (2009 Board Approved)	Last Rebasing Year (2009 Actual)	Most Current Actuals Year 2017	2019 Bridge Year	Annual % Change	2020 Test Year	Annual % Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)=[(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
Regulatory Costs (Ongoing)									
1 OEB Annual Assessment	5655		\$ 50,000	\$ 303,046	\$ 397,841	\$ 395,760	-0.52%	\$ 403,675	2.00%
2 OEB Section 30 Costs (OEB-initiated)				\$ 11,464	\$ 9,667	\$ 24,180	150.13%	\$ 24,660	1.99%
3 Expert Witness costs for regulatory matters									
4 Legal costs for regulatory matters	5630			\$ -	\$ 104,240	\$ 55,000	-47.24%	\$ 56,000	1.82%
5 Consultants' costs for regulatory matters	5630			\$ 3,250	\$ 2,600	\$ 2,600		\$ 27,600	961.54%
6 Operating expenses associated with staff resources allocated to regulatory matters	5630			\$ 173,530	\$ 263,325	\$ 246,691	-6.32%	\$ 253,191	2.63%
7 Operating expenses associated with other resources allocated to regulatory matters ¹	5630			\$ 89,805	\$ 40,565	\$ 52,754	30.05%	\$ 28,549	-45.88%
8 Other regulatory agency fees or assessments	5655								
9 Any other costs for regulatory matters (please define)									
10 Intervenor costs	5655				\$ 1,167		-100.00%	\$ 2,600	
11 Include other items in green cells, as applicable									
12									
13									
14									
15									
16									
17									
18									
19									
20									
Regulatory Costs (One-Time)									
1 Expert Witness costs									
2 Legal costs	5630		\$ 450,000	\$ 30,346	\$ 112,940	\$ 300,000	165.63%		-100.00%
3 Consultants' costs	5630		\$ 150,000	\$ 11,544	\$ 361,001	\$ 100,000	-72.30%		-100.00%
4 Incremental operating expenses associated with staff resources allocated to this application.	5615				\$ 52,066		-100.00%		
5 Incremental operating expenses associated with other resources allocated to this application. ¹	5615		\$ 18,000			\$ 34,875			-100.00%
6 Intervenor costs	5655		\$ 50,000	\$ 131,715		\$ 115,000			-100.00%

7	OEB Section 30 Costs (application-related)						\$ 60,000			-100.00%
8	Include other items in green cells, as applicable									
9										
10										
11										
12										
13										
14										
15										
1	Sub-total - Ongoing Costs ²		\$ -	\$ 50,000	\$ 581,094	\$ 816,805	\$ 776,985	-4.88%	\$ 796,275	2.48%
2	Sub-total - One-time Costs ³		\$ -	\$ 668,000	\$ 173,605	\$ 526,008	\$ 609,875	15.94%	\$ -	-100.00%
3	Total		\$ -	\$ 718,000	\$ 754,699	\$ 1,342,813	\$ 1,386,860	3.28%	\$ 1,023,452	-26.20%

Application-Related One-Time Costs	Total
Total One-Time Costs Related to Application to be Amortized over IRM Period	\$ 1,135,883
1/5 of Total One-Time Costs	\$ 227,176.52

Notes:

- ¹ Please identify the resources involved.
² Sum of all ongoing costs.
³ Sum of all one-time costs.



ATTACHMENT 4 - R

2017 Federal and Provincial Tax Return



Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:

- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:

- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: www.cra.gc.ca/sred.

Part 1 – General information

010 Name of claimant	Enter one of the following:		
Enwin Utilities Ltd.	<div>86712 0586 RC0002</div> Business number (BN)		
Tax year	<div>From: 2017-01-01 Year Month Day</div> <div>To: 2017-12-31 Year Month Day</div>		
050 Total number of projects you are claiming this tax year:	<div>Social insurance number (SIN)</div>		
1			
100 Contact person for the financial information	105 Telephone number/extension	110 Fax number	
Byron Thompson	(519) 255-2869	(519) 255-7423	
115 Contact person for the technical information	120 Telephone number/extension	125 Fax number	
	(519) 255-2888	(519) 255-7423	

151 If this claim is filed for a partnership, was Form T5013 filed?	..... 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		
If you answered no to line 151, complete lines 153, 156 and 157.			
153	Names of the partners	156 %	157 BN or SIN
1			
2			
3			
4			
5			

Part 2 - Project informationCRA internal form identifier 060
Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification
200 Project title (and identification code if applicable)
See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 1 ☒ I elect to use the proxy method
(Enter "0" on line 360 and complete Part 5.)

162 1 ☐ I choose to use the traditional method
(Enter "0" on lines 355 and 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

- SR&ED portion of salary or wages of employees directly engaged in the SR&ED:

a) Employees other than specified employees for work performed in Canada	300	+	202,428
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	202,428
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	

• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts (see note 1)	340	+	198,386
b) Non-arm's length contracts (see note 1)	345	+	
• Lease costs of equipment used before 2014 :			
a) All or substantially all (90% of the time or more) for SR&ED	350	+	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	355	+	
• Overhead and other expenditures (enter "0" if you use the proxy method)	360	+	
• Third-party payments (see note 2) (complete Form T1263*)	370	+	
Total current SR&ED expenditures (add lines 306 to 370; do not add line 315) (Corporations may need to adjust line 118 of schedule T2SCH1)	380	=	400,814
• Capital expenditures for depreciable property available for use before 2014 (Do not include these capital expenditures on schedule T2SCH8)	390	+	
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	400,814

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

Amount from line 400	420		400,814
Deduct			
• provincial government assistance for expenditures included on line 400	429	–	12,640
• other government assistance for expenditures included on line 400	431	–	
• non-government assistance for expenditures included on line 400	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	435	–	75,921
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	312,253
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	312,253
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	312,253
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Note 1 – For contract expenditures made after 2013, no amounts for purchasing or leasing capital property can be included.

Note 2 – For third-party payments made after 2013, no amounts for purchasing or leasing capital property can be included.

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Enter the breakdown between current and capital expenditures (to the nearest dollar)		Current Expenditures	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	400,814	496
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 5)	500 +		
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502 +	110,746	
• expenditures on shared-use equipment for property acquired before 2014			504 +
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508 +		510 +
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511 =	511,560	512 =
Deduct (see note 4)			
• provincial government assistance	513 -	16,516	514 -
• other government assistance	515 -		516 -
• non-government assistance and contract payments	517 -		518 -
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 5)	520 -		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528 -		
• 20% of expenditures included on lines 340 and 370	529 -	39,677	
• prescribed expenditures not allowed by regulations (see guide)	530 -		532 -
• other deductions (see guide)	533 -		535 -
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	538 -		540 -
– expenditures for non-arm's length SR&ED contracts (from line 345)	541 -		
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542 -		543 -
– qualified expenditures you transferred (complete Form T1146**)	544 -		546 -
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557 =	455,367	558 =
Qualified SR&ED expenditures (add lines 557 and 558)			559 = 455,367
Add			
• repayments of assistance and contract payments made in the year			560 +
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 = 455,367

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

Note 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Note 5 – For arm's length contracts, only include 80% of the contract amount.

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370)	605	202,428
-----------------------------------------------------------------------------------------------------------------	------------	---------

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)	Foreign (%)
Internal	600	100.000	
Parent companies, subsidiaries, and affiliated companies	602		604
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606		
Federal contracts	608		
Provincial funding	610		
SR&ED contract work performed for other companies on their behalf	612		614
Other funding (e.g., universities, foreign governments)	616		618

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 1 ☐ Basic or Applied research **622** 1 ☒ Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	1
Technologists and technicians	634	1
Managers and administrators	636	1
Other technical supporting staff	638	2

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 ☒
3. completed Part 2 for each project ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures ☒
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable ☒

To expedite the processing of your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable ☒
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 ☒

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

*** Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)*

**** Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A \$1000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

- 1 ☒ Yes (complete the claim preparer information table and lines 970 and 975 below)
2 ☐ No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. KPMG LLP	12236 3153 RT0001	1	22.50		19,085
Total					19,085

* Billing arrangement codes

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Byron Thompson, certify that the information provided in this part is complete

Name of authorized signing officer of the corporation, or individual (print)
and accurate.

Signature

975 2019-04-25
Year Month Day

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

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Byron Thompson

Name of authorized signing officer of the corporation, or individual

Signature

170 2019-04-25

Date

175 KPMG LLP

Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the *Income Tax Act* (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 "Scientific Research and Experimental Development" in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the *Privacy Act*, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our *Info Source* chapter can be found at www.cra.gc.ca/atip.

Part 2 – Project information (continued)

Project number 1

CRA internal form identifier 060

Code 1501

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification**200** Project title (and identification code if applicable)

ENW2017-01 Smart Grid Integration Techniques

202 Project start date

2013-04

Year Month

204 Completion or expected completion date

2018-06

Year Month

206 Field of science or technology code
(See guide for list of codes)

1.02.02

Information technology and bioinformatics (Software e

Project claim history

208 1 ☒ Continuation of a previously claimed project**210** 1 ☐ First claim for the project**218** Was any of the work done jointly or in collaboration with other businesses? 1 ☐ Yes 2 ☒ NoIf you answered **yes** to line 218, complete lines 220 and 221.**220** Names of the businesses**221** BN

1

2

3

Section B – Project descriptions**242** What scientific or technological uncertainties did you attempt to overcome?
(Maximum 50 lines)

1.

2. EnWin Utilities Ltd. (EnWin or the Company) is an electricity distribution

3. company which delivers power to residential and industrial customers in

4. Windsor, Ontario.

5.

6. In FY2017, EnWin sought to improve the Company's distribution system through

7. the integration of smart grid technologies and third-party/proprietary systems

8. not inherently designed to work together. In particular, the following

9. technological obstacles were encountered:

10.

11. EnWin sought to develop an efficient smart grid monitoring architecture that

12. would provide integration between disparate-systems (OMS, SCADA, Smart Meters,

13. GIS etc.) while achieving near real-time outage event detection during

14. potentially catastrophic events. The underlying challenge was how to reliably

15. synchronize disparate systems and efficiently process multiple-stochastic-

16. elements pertaining to outages. This issue reflected in the performance of the

17. outage alarms, as only 15%-25% of the expected meters were reporting in.

18. Traditional methods to improve the alarms rate like network optimization,

19. SCADA frequency interference removal, tuning communication/transmit mode

20. failed to improve the predictions. On the other hand, while attempting to

21. integrate OMS-responder system with GIS to overlay outages on GIS maps, the

22. system encountered crashes while inputs were fed-in from SCADA, AMI and storm

23. simulations. Attempts were made to integrate the GIS system with ODS

24. (Operational Data store- where data from smart grid systems stored) but this

25. was challenging as the ODS embodies a multitude of data coming from various

26. systems. Consequently, EnWin was uncertain if a smart grid architecture could

27. be achieved given the randomness of events and sub-system constraints that

28. compromised integration efforts.

29.

30. EnWin sought to develop a reliable integration layer between the proprietary

31. enterprise system (SAP) and the GIS system to synchronize GIS and proprietary

32. system data for spatial monitoring of operational assets. The baseline

33. integration package from the enterprise system failed to properly manage

34. multiple query services to map spatial and non-spatial data for geo-spatial

242 What scientific or technological uncertainties did you attempt to overcome?
(Maximum 50 lines)

35. data analysis. It was challenging owing to the fact that integration required
36. synchronization of data from various field services in real-time. Therefore,
37. EnWin was uncertain if an integration layer could be developed in order to
38. ensure interoperability between the proprietary enterprise systems with a geo-
39. database for spatial analysis.
40.
41.
42.

244 What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (Maximum 100 lines)

1. In FY2017, EnWin continued to investigate techniques to improve the
2. forecasting capability of their OMS. Tests showed that the volume of alarms
3. propagating through interfaces contributed to under-predictions. EnWin
4. hypothesized that combining certain data fields from ODS (operational data
5. store) with the data from the AMI through a queuing mechanism would improve
6. global analysis. To test this, both outages and brownout alarms were monitored
7. during an outage. It was identified that in the event of significant outages,
8. over 3000 meters recorded no alarm. Investigations revealed that this issue
9. was tied to bandwidth limitations of the relevant TGB (Tower Gateway Base-
10. station) during the short period of high activity when an outage occurs. The
11. endpoint smart-meters transmitted only for a brief-interval and their "last-
12. gasp" capacity was affected by the charge-level of their capacitors.
13. Additionally it was learned that the endpoints in the mixed-transmit-
14. configuration sent the first-power-fail-alarm-message with 375ms-transmit as
15. opposed to 40ms-priority short alarm which exhausted the last gasp power bank.
16. Ensuing investigations targeted the development of filtering algorithms to
17. improve the relevancy of last-gasp transmissions. The alarm transmission
18. service layer was modified such that alarms were sent through a priority short
19. channel with modified transceiver systems. This improved real-time outage
20. transmissions by 50%. However, during a live significantly large outage event,
21. the alarms from meters were coming in 10 to 40 seconds earlier than signals
22. from the SCADA system, which led to the inability to properly validate
23. outages. This issue will be addressed in the next FY.
24.
25. Alongside outage predictability, rapid characterization and location of
26. outages was necessary. Issues with mission critical responder system when the
27. OMS system was integrated with the smart grid systems needed to be address.
28. Field tests were conducted to test the hypothesis that integrating the OMS
29. system with AMI, GIS, SCADA, ODS, and CIS would provide seamless processing
30. and dissemination of context-based outage messages to end points. This
31. required experimental efforts to improve feeder switching sequences. Two sites
32. were selected as experimental grid pilots to apply temporary conditions on the
33. network such that feeder loads would be transmitted to one feeder through in-
34. line-switch and the transmission station. An essential aspect of the
35. investigations entailed the development and testing of inter-component
36. communication mechanisms/test cases to improve the reliability of the
37. responder system. This involved the development of techniques to change the
38. location of the feeder breaker based on the addition of in-line switches.
39. Testing showed reduction in complexity and therefore the ability to seamlessly
40. handle various additions to the network. On the other hand, to support the
41. deletion of features in switching order, a defective fuse was pulled down
42. which created an open point downstream. This protected the fuse, thus device
43. was successfully removed while the switching order was restored. Furthermore
44. multiple jumpers were added to a pair of future lines to energize a downstream
45. -switching-unit and transformer as this could be detrimental to the grid.
46. Testing showed that once information was received from field, GIS updates were
47. made and the line-display-function, SCADA-operation and meter-alarms worked

244	What work did you perform in the tax year to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (<i>Maximum 100 lines</i>)
48.	reliably.
49.	
50.	Investigations into the failure of adding new query services by proprietary
51.	system revealed that it was not capable of handling new system additions into
52.	the monitoring map. The position coordinates(X, Y) of new-requests are
53.	determined based on the physical location of the end-point and it was attached
54.	to the GIS to create a new addition. A queuing mechanism was developed to add
55.	requests to the backend-system and to map it to GIS-system. In some
56.	conditions, the object map icons would overlap where pieces of equipment are
57.	close to each other. This created issues with visualizing the two
58.	notifications being represented. A filter was developed based on the distance
59.	to filter out the notifications within 3 meters of area. By the end of the
60.	year, tests showed that 99% of the notifications were found for spatial-
61.	analysis.
62.	

246	What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (<i>Maximum 50 lines</i>)
1.	The work performed for this project represents a technological advancement in
2.	the field of Electrical Engineering.
3.	
4.	If successful, the work performed in FY2017 would result in the following
5.	advancements:
6.	
7.	EnWin's work advanced the company's understanding of techniques to reliably
8.	predict outages through the appropriate orchestration of alarm transmissions
9.	from smart meters.
10.	
11.	EnWin gained understanding in how to correlate certain data footprints from
12.	disparate systems (GIS, ODS, SCADA) to increase the timely restoration of
13.	outages.
14.	
15.	EnWin advanced the Company's understanding of how to interface with a
16.	proprietary system inherently designed for non-critical services and adapt it
17.	for mission-critical responsiveness. This knowledge allowed EnWin to resolve
18.	the interoperability issues with disparate systems and GIS notifications.
19.	

Section C – Additional project information

Who prepared the responses for Section B?

253	1 <input checked="" type="checkbox"/> Employee directly involved in the project	254	Name Ethier, Marc
255	1 <input type="checkbox"/> Other employee of the company	256	Name
257	1 <input checked="" type="checkbox"/> External consultant	258	Name KPMG LLP
		259	Firm KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

260	Names	261	Qualifications/experience and position title
1	[REDACTED]		Project Manager, B.C.S., M.B.A Sr. Technical Analyst, Systems Development 17 Years IT experience.
2	[REDACTED]		Senior Technical Analyst, B.C.S. Hons, 21 Years IT experience
3	[REDACTED]		GIS Analyst, B.A.Sc with 8+ years of IT experience

265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 <input type="checkbox"/> Yes	2 <input checked="" type="checkbox"/> No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 <input type="checkbox"/> Yes	2 <input checked="" type="checkbox"/> No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 <input checked="" type="checkbox"/> Yes	2 <input type="checkbox"/> No

If you answered **yes** to line 267, complete lines 268 and 269.

268	Names of individuals or companies	269	BN
1	Esri Canada		89521 0979 RT0001
2	Harris Computer Corporation		10387 5241 RT0001

What evidence do you have to support your claim? (Check any that apply)

You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	1 <input checked="" type="checkbox"/> Project planning documents	276	1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings
271	1 <input checked="" type="checkbox"/> Records of resources allocated to the project, time sheets	277	1 <input checked="" type="checkbox"/> Test protocols, test data, analysis of test results, conclusions
272	1 <input type="checkbox"/> Design of experiments	278	1 <input type="checkbox"/> Photographs and videos
273	1 <input type="checkbox"/> Project records, laboratory notebooks	279	1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts
274	1 <input checked="" type="checkbox"/> Design, system architecture and source code	280	1 <input checked="" type="checkbox"/> Contracts
275	1 <input type="checkbox"/> Records of trial runs	281	1 <input type="checkbox"/> Others, specify 282

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2018-12-31

Business number 86712 0586 RC0002

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to Canada Revenue Agency, P.O. Box 3800, Station A, Sudbury ON P3A 0C3.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2018-01-31	366,201		396,815	-30,614	
2018-02-28	366,201		396,815	-61,228	
2018-03-31	211,546				150,318
2018-04-30	211,546				211,546
2018-05-31	211,546				211,546
2018-06-30	211,546				211,546
2018-07-31	211,546				211,546
2018-08-31	211,546				211,546
2018-09-30	211,546				211,546
2018-10-31	211,546				211,546
2018-11-30	211,546				211,546
2018-12-31	211,543				211,543
2019-01-31					248,401
2019-02-28					248,401
Totals	2,847,859		793,630		2,551,031

Canada Revenue Agency
Agence du revenu
du Canada

Information Return for Corporations Filing Electronically

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

Part 1 – Identification


Corporation's name Enwin Utilities Ltd.			Business number 86712 0586 RC0002	
Tax year ▶	From Y M D 2017-01-01	To Y M D 2017-12-31	Is this an amended return? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Part 2 – Declaration

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

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFL (line 300)	11,389,754
Part I tax payable (line 700)	1,693,425
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	5,428
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	1,154,434

Part 3 – Certification and authorization

		Sign up for online mail!	Get your CRA mail electronically delivered in My Business Account at cra.gc.ca/mybusinessaccount
I understand that by providing an email address, I am registering the corporation for the 'Manage online mail' service. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent.			
Email address for online mail (optional): _____			
I, Thompson	Byron	VP of Finance & CFO	
Last name		First name	
		Position, office, or rank	
am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.			
I authorize the transmitter identified in Part 4 to electronically file the corporation income tax return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.			
2019-04-25	Signature of an authorized signing officer of the corporation		(519) 255-2869
Date (yyyy/mm/dd)			Telephone number

Part 4 – Transmitter identification

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

KPMG LLP	C5622
Name of person or firm	Electronic filer number

Privacy statement

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

Line 996 – Amended Tax Return – Description of Changes

Filing date of the amended tax return

Abbreviated description

996

Description of changes (Maximum 500 lines)

1. The taxpayer is changing is policy to expense labour and overhead previously
2. capitalized and included in the UCC balance.
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Canada Revenue Agency
Agence du revenu
du Canada

T2 Corporation Income Tax Return

200

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

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

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

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) **001** 86712 0586 RC0002**Corporation's name****002** Enwin Utilities Ltd.**Address of head office**Has this address changed since the last time we were notified? **010** 1 Yes ☐ 2 No ☒If **yes**, complete lines 011 to 018.**011** 787 Ouellette Avenue**012** PO Box 1625, Station A

City Province, territory, or state

015 Windsor **016** ON

Country (other than Canada) Postal or ZIP code

017 **018** N9A 5T7**Mailing address** (if different from head office address)Has this address changed since the last time we were notified? **020** 1 Yes ☐ 2 No ☒If **yes**, complete lines 021 to 028.**021** c/o**022****023**

City Province, territory, or state

025 **026**

Country (other than Canada) Postal or ZIP code

027 **028****Location of books and records** (if different from head office address)Has this address changed since the last time we were notified? **030** 1 Yes ☐ 2 No ☒If **yes**, complete lines 031 to 038.**031** 787 Ouellette Avenue**032** PO Box 1625 Station A

City Province, territory, or state

035 Windsor **036** ON

Country (other than Canada) Postal or ZIP code

037 **038** N9A 5T7**040** Type of corporation at the end of the tax year (tick one)

- ☒ 1 Canadian-controlled private corporation (CCPC)
☐ 2 Other private corporation
☐ 3 Public corporation
☐ 4 Corporation controlled by a public corporation
☐ 5 Other corporation (specify) _____

If the type of corporation changed during the tax year, provide the effective date of the change **043**

Year Month Day

To which tax year does this return apply?

Tax year start

Year Month Day

060 2017-01-01

Tax year-end

Year Month Day

061 2017-12-31**Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?** **063** 1 Yes ☐ 2 No ☒If **yes**, provide the date control was acquired **065**

Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? **066** 1 Yes ☐ 2 No ☒**Is the corporation a professional corporation that is a member of a partnership?** **067** 1 Yes ☐ 2 No ☒**Is this the first year of filing after:**Incorporation? **070** 1 Yes ☐ 2 No ☒Amalgamation? **071** 1 Yes ☐ 2 No ☒If **yes**, complete lines 030 to 038 and attach Schedule 24.**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** **072** 1 Yes ☐ 2 No ☒If **yes**, complete and attach Schedule 24.**Is this the final tax year before amalgamation?** **076** 1 Yes ☐ 2 No ☒**Is this the final return up to dissolution?** **078** 1 Yes ☐ 2 No ☒**If an election was made under section 261, state the functional currency used** **079****Is the corporation a resident of Canada?** **080** 1 Yes ☒ 2 No ☐If **no**, give the country of residence on line 081 and complete and attach Schedule 97.**081****Is the non-resident corporation claiming an exemption under an income tax treaty?** **082** 1 Yes ☐ 2 No ☒If **yes**, complete and attach Schedule 91.**If the corporation is exempt from tax under section 149, tick one of the following boxes:**

- 085** ☐ 1 Exempt under paragraph 149(1)(e) or (l)
☐ 2 Exempt under paragraph 149(1)(j)
☐ 3 Exempt under paragraph 149(1)(t)
☐ 4 Exempt under other paragraphs of section 149

Do not use this area

095**096****098**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input checked="" type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input checked="" type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	<input type="checkbox"/>	10
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	<input checked="" type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input checked="" type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input checked="" type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input checked="" type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	221122	Electric Power Distribution	
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Power distribution	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	11,389,754	A
Deduct:			
Charitable donations from Schedule 2	311	37,315	
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	14,161	
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal		51,476	B
Subtotal (amount A minus amount B) (if negative, enter "0")		11,338,278	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	11,338,278	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		11,338,278	Z
Taxable income for the year from a personal services business			Z.1

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

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	11,055,168	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	11,328,114	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

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

Business limit reduction:

Amount C	500,000	x	415 ***	867,679	D	=	38,563,511	E1
				11,250				
Amount C	500,000	x		Adjusted aggregate investment income****				
500,000		x	5	x	[	50,000	=	E2
500,000								
Business limit reduction (amounts E1 or E2, whichever is greater)****							38,563,511	E
Reduced business limit (amount C minus amount E) (if negative, enter "0")							425	F
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)								G
Amount F minus amount G							427	H

Small business deduction

Amount A, B, C, or H, whichever is the least	<u> </u>	x	<u>Number of days in the tax year before January 1, 2018</u>	<u>365</u>	x	17.5 % =	<u> </u>	1	
			Number of days in the tax year	365					
Amount A, B, C, or H, whichever is the least	<u> </u>	x	<u>Number of days in the tax year after December 31, 2017, and before January 1, 2019</u>	<u> </u>	x	18 % =	<u> </u>	2	
			Number of days in the tax year	365					
Amount A, B, C, or H, whichever is the least	<u> </u>	x	<u>Number of days in the tax year after December 31, 2018</u>	<u> </u>	x	19 % =	<u> </u>	3	
			Number of days in the tax year	365					
Total of amounts 1, 2 and 3 (enter amount I at amount J on page 8)								430	I

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

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

*** Large corporations

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

**** For tax years starting after 2018, the business limit reduction under subparagraph 125(5.1) ITA is the greater of the following amounts:

- Amount E1, based on the taxable capital employed in Canada for the corporation and associated corporations in the last tax year ending in the preceding calendar year; and,
- Amount E2, based on the total adjusted aggregate investment income for the corporation and associated corporations in tax years ending in the preceding calendar year.

For more information, consult the Help (F1).

Specified corporate income and assignment under subsection 125(3.2)

Applicable to tax years that begin after March 21, 2016

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

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

Notes:

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
 - at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
 - it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula $A - B$, where A is the amount of income referred to in column K in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	11,338,278	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B
Amount 13K from Part 13 of Schedule 27		C
Personal services business income	432	D
Amount used to calculate the credit union deduction (amount 2E from Schedule 17)		E
Amount from line 400, 405, 410, or 427 on page 4, whichever is the least		F
Aggregate investment income from line 440 on page 6*	320,425	G
Subtotal (add amounts B to G)	320,425	H
Amount A minus amount H (if negative, enter "0")	11,017,853	I
General tax reduction for Canadian-controlled private corporations – Amount I multiplied by 13 %	1,432,321	J

Enter amount J on line 638 on page 8.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)		K
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		L
Amount 13K from Part 13 of Schedule 27		M
Personal services business income	434	N
Amount used to calculate the credit union deduction (amount 2E from Schedule 17)		O
Subtotal (add amounts L to O)		P
Amount K minus amount P (if negative, enter "0")		Q
General tax reduction – Amount Q multiplied by 13 %		R

Enter amount R on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 **440** 320,425 x 30 2 / 3 % = 98,264 A

Foreign non-business income tax credit from line 632 on page 8 2,846 B

Deduct:

Foreign investment income from Schedule 7 **445** 20,052 x 8 % = 1,604 C

Subtotal (amount B **minus** amount C) (if negative, enter "0") 1,242 D

Amount A **minus** amount D (if negative, enter "0") 97,022 E

Taxable income from line 360 on page 3 11,338,278 F

Deduct:

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

Foreign non-business income tax credit from line 632 on page 8 2,846 x 75 / 29 = 7,360 H

Foreign business income tax credit from line 636 on page 8 x 4 = I

Subtotal (total of amounts G, H and I) 7,360 J

Subtotal (amount F **minus** amount J) (if negative, enter "0") 11,330,918 K x 30 2 / 3 % = 3,474,815 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) 1,693,425 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450** 97,022 N

Refundable dividend tax on hand

Eligible refundable dividend tax on hand account (ERDTH)* (applicable to taxation years that start after 2018)

Eligible refundable dividend tax on hand at the end of the previous tax year a

Dividend refund from the ERDTH for the previous tax year b

Subtotal (amount a **minus** amount b) O1

Part IV tax payable attributable to eligible dividends received from unconnected corporations (amount N1 from Schedule 3) c

Part IV tax attributable to taxable dividends received from connected corporations which generated a dividend refund from their ERDTH account (amount N2 from Schedule 3) d

Net eligible refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation e

Subtotal (**add** amounts c, d and e) R1

Eligible refundable dividend tax on hand at the end of the tax year (amount O1 **plus** amount R1) R2

Refundable dividend tax on hand (continued)

Refundable dividend tax on hand

(for tax years that start after 2018, non-eligible refundable dividend tax on hand account (NERDTH)*)

Refundable dividend tax on hand at the end of the previous tax year **460** 118,208
(for tax years that start after 2018, non-eligible refundable dividend tax on hand at the end of the previous tax year)

Dividend refund for the previous tax year **465** 118,208
(for tax years that start after 2018, dividend refund from the NERDTH for the previous tax year)

Subtotal (line 460 minus line 465) ► O2

Refundable portion of Part I tax from line 450 above 97,022 P

Total Part IV tax payable from line 360 in Schedule 3 5,428 Q
(for tax years that start after 2018, total Part IV tax payable less the Part IV tax attributable to the ERDTH account (amount N3 from Schedule 3) (if negative, enter « 0 »))

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480**
(for tax years that start after 2018, net non-eligible refundable dividend tax on hand transferred)

Subtotal (add amounts P, Q and line 480) ► 102,450 R3

Refundable dividend tax on hand at the end of the tax year (amount O2 plus amount R3) 102,450 R4
(for tax years that start after 2018, non-eligible refundable dividend tax on hand at the end of the tax year)

Refundable dividend tax on hand at the end of the tax year (amount R2 plus amount R4) **485** 102,450

* For more information, consult the Help (F1).

Dividend refund

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

Refund attributable to eligible dividends paid in the taxation year* (applicable to taxation years that start after 2018)

Eligible Dividend paid in the tax year x 38 1 / 3 % = S1

Eligible refundable dividend tax on hand at the end of the tax year (amount R2) T1

Dividend refund attributable to the ERDTH (amount S1 or T1, whichever is less) ► U1

Dividend refund

(for tax years that start after 2018, dividend refund attributable to non-eligible dividends paid in the tax year*)

Taxable dividends paid in the tax year from line 460 of Schedule 3 4,000,000 x 38 1 / 3 % = 1,533,333 S2
(for tax years that start after 2018, taxable non-eligible dividends paid in the tax year)

Refundable dividend tax on hand at the end of the tax year (amount R4) 102,450 T2
(for tax years that start after 2018, non-eligible refundable dividend tax on hand at the end of the tax year)

Dividend refund (amount S2 or T2, whichever is less) 102,450 ► 102,450 U2
(for tax years that start after 2018, dividend refund attributable to the NERDTH)

For tax years that start after 2018:

Amount S2 minus amount T2 (if negative, enter "0") S3

Eligible refundable dividend tax on hand minus dividend refund attributable to the ERDTH (amount T1 minus amount U1) T3

Additional dividend refund attributable to the ERDTH (amount S3 or T3, whichever is less) ► U3

Dividend refund (amount U1 plus amount U2 plus amount U3) 102,450 U

Enter amount U on line 784 on page 9.

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % **550** 4,308,546 A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business **555** x 5 % = **560** B

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

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

Aggregate investment income from line 440 on page 6 320,425 D

Taxable income from line 360 on page 3 11,338,278 E

Deduct:

Amount from line 400, 405, 410, or 427 on page 4,
whichever is the least F

Net amount (amount E **minus** amount F) **11,338,278** ▶ **11,338,278** G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G **604** 34,179 H

Subtotal (**add** amounts A, B, C, and H) **4,342,725** I

Deduct:

Small business deduction from line 430 on page 4 J

Federal tax abatement **608** 1,133,828

Manufacturing and processing profits deduction from Schedule 27 **616**

Investment corporation deduction **620**

Taxed capital gains **624**

Additional deduction – credit unions from Schedule 17 **628**

Federal foreign non-business income tax credit from Schedule 21 **632** 2,846

Federal foreign business income tax credit from Schedule 21 **636**

General tax reduction for CCPCs from amount J on page 5 **638** 1,432,321

General tax reduction from amount R on page 5 **639**

Federal logging tax credit from Schedule 21 **640**

Eligible Canadian bank deduction under section 125.21 **641**

Federal qualifying environmental trust tax credit **648**

Investment tax credit from Schedule 31 **652** 80,305

Subtotal **2,649,300** ▶ **2,649,300** K

Part I tax payable – Amount I **minus** amount K **1,693,425** L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information is collected under the Income Tax Act to administer tax, benefits, and related programs. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collections activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	1,693,425
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	5,428
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax 1,698,853

Add provincial or territorial tax:

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

Net provincial or territorial tax payable (except Quebec and Alberta) . . . 760 1,154,434

Total tax payable 770 2,853,287 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 7	784	102,450
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	

Total payments on which tax has been withheld . . . 801

Provincial and territorial capital gains refund from Schedule 18 . . . 808

Provincial and territorial refundable tax credits from Schedule 5 . . . 812

Tax instalments paid . . . 840 3,566,742

Total credits 890 3,669,192 ▶ 3,669,192 B

Refund code 894 1 Overpayment 815,905

Balance (amount A minus amount B) -815,905

Direct deposit request

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

☐ Start ☐ Change information 910
Branch number
914 Institution number 918 Account number

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

Balance unpaid

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

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

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . 920 C5622

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

Certification

I, 950 Thompson Lastname 951 Byron First name 954 VP of Finance & CFO Position, office, or rank

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

955 2019-04-25 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation

956 (519) 255-2869 Telephone number

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

958 Name of other authorized person 959 Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Schedule of Instalment Remittances

Name of corporation contact Byron Thompson
Telephone number (519) 255-2869

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	2017 Installments	4,393,226
		-826,484
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		<u>3,566,742</u> A
Total instalments credited to the taxation year per T9		<u>3,566,742</u> B

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	83,509,469	82,267,210
	Total tangible capital assets	2008 +	278,953,686	269,932,346
	Total accumulated amortization of tangible capital assets	2009 –	58,019,710	46,408,081
	Total intangible capital assets	2178 +	29,488,970	28,326,820
	Total accumulated amortization of intangible capital assets	2179 –	20,790,622	16,571,505
	Total long-term assets	2589 +	19,735,173	16,720,620
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>332,876,966</u>	<u>334,267,410</u>

Liabilities				
	Total current liabilities	3139 +	45,902,930	52,555,071
	Total long-term liabilities	3450 +	138,964,207	127,079,717
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>184,867,137</u>	<u>179,634,788</u>

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	148,009,829	154,632,622

	Total liabilities and shareholder equity	3640 =	<u>332,876,966</u>	<u>334,267,410</u>
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Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>93,520,809</u>	<u>95,911,619</u>

* Generic item

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

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

Income statement information

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

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089 +	304,018,382	336,986,648
Cost of sales	8518 -	255,421,711	282,361,607
Gross profit/loss	8519 =	48,596,671	54,625,041
Cost of sales	8518 +	255,421,711	282,361,607
Total operating expenses	9367 +	63,156,434	60,749,135
Total expenses (mandatory field)	9368 =	318,578,145	343,110,742
Total revenue (mandatory field)	8299 +	329,551,003	364,313,349
Total expenses (mandatory field)	9368 -	318,578,145	343,110,742
Net non-farming income	9369 =	10,972,858	21,202,607

Farming income statement information

Total farm revenue (mandatory field)	9659 +		
Total farm expenses (mandatory field)	9898 -		
Net farm income	9899 =		

Net income/loss before taxes and extraordinary items	9970 =	10,972,858	21,202,607
-----------------------------------------------------------------------	---------------	------------	------------

Total other comprehensive income	9998 =	-4,231,983	-2,121,000
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -	3,740,382	5,229,764
Future (deferred) income tax provision	9995 -	-339,542	-158,000
Total – Other comprehensive income	9998 +	-4,231,983	-2,121,000
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	3,340,035	14,009,843

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Notes Checklist

Corporation's name Enwin Utilities Ltd.	Business number 86712 0586 RC0002	Tax Year End Year Month Day 2017-12-31
--------------------------------------------	--------------------------------------	----------------------------------------------

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

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

Does the accountant have a professional designation? **095** Yes ☒ No ☐

Is the accountant connected* with the corporation? **097** Yes ☐ No ☒

Note

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

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

Part 2 – Type of involvement with the financial statements

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

Completed an auditor's report 1 ☒

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

Part 3 – Reservations

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

Has the accountant expressed a reservation? **099** Yes ☐ No ☒

Part 4 – Other information

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

Prepared the tax return (financial statements prepared by client) 1 ☐

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

Were notes to the financial statements prepared? **101** Yes ☒ No ☐

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

Are subsequent events mentioned in the notes? **104** Yes ☐ No ☒

Is re-evaluation of asset information mentioned in the notes? **105** Yes ☒ No ☐

Is contingent liability information mentioned in the notes? **106** Yes ☒ No ☐

Is information regarding commitments mentioned in the notes? **107** Yes ☒ No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? **108** Yes ☐ No ☒

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

200 Yes ☐ No ☒

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

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

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?

250 Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year?

255 Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 Yes ☐ No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 Yes ☐ No ☒

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

T2 BAR CODE RETURN

Name: Enwin Utilities Ltd.

BN: 86712 0586 RC 0002

Tax Year Start: 2017-01-01

Tax Year End: 2017-12-31

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

Assets – lines 1000 to 2599

1000	26,204,837	1062	46,771,336	1064	3,259,376
1066	1,409,705	1120	4,096,833	1484	1,767,382
1599	83,509,469	1600	1,366,049	1680	19,714,686
1681	-6,128,204	1742	1,440,172	1743	-824,061
1774	4,838,316	1775	-3,417,343	1785	12,860,505
1786	-7,483,191	1787	680,660	1788	-467,706
1900	235,042,140	1901	-39,699,205	1920	3,011,158
2008	278,953,686	2009	-58,019,710	2010	29,488,970
2011	-20,790,622	2178	29,488,970	2179	-20,790,622
2240	2,876,670	2300	6,530,365	2420	329,529
2421	9,998,609	2589	19,735,173	2599	332,876,966

Liabilities – lines 2600 to 3499

2620	30,427,791	2770	2,171,991	2860	12,092,188
2960	1,210,960	3139	45,902,930	3140	7,434,194
3210	50,456,959	3220	12,680,654	3320	68,392,400
3450	138,964,207	3499	184,867,137		

Shareholder equity – lines 3500 to 3640

3500	62,008,479	3540	516,527	3580	-8,035,986
3600	93,520,809	3620	148,009,829	3640	332,876,966

Retained earnings – lines 3660 to 3849

3660	95,911,619	3680	7,572,018	3700	-4,000,000
3740	-5,962,828	3849	93,520,809		

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SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

Description

Sequence number **0003** _01

Other comprehensive income – lines 7000 to 7020

7000	-5,757,800	7010	-1,525,817
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Revenue – lines 8000 to 8299

8000	304,018,382	8089	304,018,382	8100	456,663
8210	66,271	8230	5,506,230	8233	19,335,643
8241	167,814	8299	329,551,003		

Cost of sales – lines 8300 to 8519

8320	255,421,711	8518	255,421,711	8519	48,596,671
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Operating expenses – lines 8520 to 9369

8523	61,648	8620	4,647,600	8670	13,143,662
8710	2,559,866	8960	4,275,733	9270	38,467,925
9367	63,156,434	9368	318,578,145	9369	10,972,858

Extraordinary items and taxes – lines 9970 to 9999

9970	10,972,858	9990	3,740,382	9995	-339,542
9998	-4,231,983	9999	3,340,035		

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



Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Enwin Utilities Ltd.	Business number 86712 0586 RC0002	Tax year-end Year Month Day 2017-12-31
------------------------------------------------	------------------------------------------	----------------------------------------------

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation – Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 3,340,035 A

Add:

Provision for income taxes – current	101	3,740,382	
Provision for income taxes – deferred	102	-339,542	
Amortization of tangible assets	104	13,143,662	
Recapture of capital cost allowance from Schedule 8	107	95,607	
Charitable donations and gifts from Schedule 2	112	37,315	
Taxable capital gains from Schedule 6	113	74,540	
Scientific research expenditures deducted per financial statements	118	400,814	
Non-deductible meals and entertainment expenses	121	30,824	
Other reserves on lines 270 and 275 from Schedule 13	125	1,250,532	
Reserves from financial statements – balance at the end of the year	126	67,749,576	
Subtotal of additions		86,183,710	86,183,710

Other additions:

Financing fees deducted in books	216	163,036	
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Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Inducement under 12(1)(x) ITA	154,391		
2 Foreign taxes on investment income	2,846		
3 IFRS regulatory asset/liability adjustment	2,474,188		
4 Overhead Adjustment for burdens and pole replacements	334,425		
Total of column 2	2,965,850	296	2,965,850
Subtotal of other additions		199	3,128,886
Total additions		500	89,312,596

Amount A plus amount B 92,652,631 C

Deduct:

Gain on disposal of assets per financial statements	401	66,271	
Capital cost allowance from Schedule 8	403	15,222,731	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	312,253	
Other reserves on line 280 from Schedule 13	413	1,038,077	
Reserves from financial statements – balance at the beginning of the year	414	58,077,349	
Subtotal of deductions		74,716,681	74,716,681

Other deductions:

Non-taxable/deductible other comprehensive income items	347	1,525,817	
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Miscellaneous other deductions:

1 Description	2 Amount
705	395
1 Financing fees	132,252
2 ATTC and CETC tax credits recorded in book income	144,952

	1 Description 705	2 Amount 395			
3	Capital gains allocated per T slips	75,949			
4	SR&ED income for accounting	96,545			
5	SR&ED cost capitalized for accounting	25,913			
6	Capitalized burdens and overheads	1,699,587			
7	Pole replacements	2,845,181			
	Total of column 2	5,020,379	▶	396	5,020,379
				499	6,546,196 ▶
					6,546,196
				Total deductions 510	81,262,877 ▶
					81,262,877 D
	Net income (loss) for income tax purposes (amount C minus amount D)				11,389,754 E
	Enter amount E on line 300 of the T2 return.				

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. ☐

Federal

A

<input checked="" type="checkbox"/>	Investment tax credit from apprenticeship job creation expenditures	16,000
<input type="checkbox"/>	Investment tax credit from child care spaces expenditures	
<input type="checkbox"/>	Canadian film or video production tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input type="checkbox"/>	Film or video production services tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input checked="" type="checkbox"/>	Investment tax credit claimed on contributions made to SR&ED farming organizations	

Ontario

A

<input checked="" type="checkbox"/>	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	4,267
<input checked="" type="checkbox"/>	Ontario co-operative education tax credit	35,368
<input checked="" type="checkbox"/>	Ontario apprenticeship training tax credit	98,756
<input type="checkbox"/>	Ontario computer animation and special effects tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input type="checkbox"/>	Ontario film and television tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input type="checkbox"/>	Ontario production services tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input type="checkbox"/>	Ontario interactive digital media tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input type="checkbox"/>	Ontario sound recording tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.		
<input type="checkbox"/>	Ontario book publishing tax credit	
<input checked="" type="checkbox"/>	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
<input type="checkbox"/>	Ontario business-research institute tax credit	
<input type="checkbox"/>	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- For use by corporations to claim any of the following:
 - the eligible amount of charitable donations to qualified donees
 - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
 - the eligible amount of gifts of certified cultural property
 - the eligible amount of gifts of certified ecologically sensitive land or
 - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
 - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
 - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File one completed copy of this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount (\$100 or more only)
WE CARE FOR KIDS	250
JUNIOR ACHIEVEMENT OF SOUTHERN	500
JOHN MCGIVENY CHILDRENS CENTRE	15,000
THE SAFETY VILLAGE	10,000
CANADIAN CANCER SOCIETY	2,589
MARYVALE	5,000
UNITED WAY	3,976
	Subtotal 37,315
	Add: Total donations of less than \$100 each
	Total donations in current tax year 37,315

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	A		
Charitable donations expired after 5 tax years*	239		
Charitable donations at the beginning of the current tax year (amount A minus line 239)	240		
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250		
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210 37,315	37,315	37,315
Subtotal (line 250 plus line 210)	37,315 B	37,315	37,315
Subtotal (line 240 plus amount B)	37,315 C	37,315	37,315
Adjustment for an acquisition of control	255		
Total charitable donations available (amount C minus line 255)	37,315 D	37,315	37,315
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2)	260 37,315	37,315	37,315
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount D minus line 260)	280		
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 multiplied by 25 %)	1		
Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).			
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 multiplied by 25 %)	2		
Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.			
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2020)	265		
British Columbia farmers' food donation tax credit (amount on line 265 multiplied by 25 %)	3		
Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.			
* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.			

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1 st prior year	2016-12-31			
2 nd prior year	2015-12-31			
3 rd prior year	2014-12-31			
4 th prior year	2013-12-31			
5 th prior year	2012-12-31			
6 th prior year*	2011-12-31			
7 th prior year	2010-12-31			
8 th prior year	2009-12-31			
9 th prior year	2008-12-31			
10 th prior year	2007-12-31			
11 th prior year	2006-12-31			
12 th prior year	2005-12-31			
13 th prior year	2004-12-31			
14 th prior year	2003-12-31			
15 th prior year	2002-12-31			
16 th prior year	2001-12-31			
17 th prior year	2001-09-30			
18 th prior year	2000-12-31			
19 th prior year	1999-12-31			
20 th prior year	1999-12-12			
21 st prior year*	1998-12-12			
Total (to line A)				

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

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* multiplied by 75 %		8,542,316	E
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, less outlays and expenses**	F		
Capital cost**	G		
Amount F or G, whichever is less	235		
Amount on line 230 or 235, whichever is less			H
Subtotal (add line 225, 227, and amount H)			I
Amount I multiplied by 25 %			J
Subtotal (amount E plus amount J)		8,542,316	K
Maximum allowable deduction for charitable donations (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is less)		37,315	L

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift divided by the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year	M		
Gifts of certified cultural property expired after 5 tax years* 439			
Gifts of certified cultural property at the beginning of the current tax year (amount M minus line 439) 440			
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary 450			
Total gifts of certified cultural property in the current year 410 (include this amount on line 112 of Schedule 1)			
Subtotal (line 450 plus line 410)	N		
Subtotal (line 440 plus amount N)	O		
Adjustment for an acquisition of control 455			
Amount applied in the current year against taxable income 460 (enter this amount on line 313 of the T2 return)			
Subtotal (line 455 plus line 460)	P		
Gifts of certified cultural property closing balance (amount O minus amount P) 480			

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

Amount carried forward – Gifts of certified cultural property

Year of origin:	Federal	Québec	Alberta
1 st prior year 2016-12-31			
2 nd prior year 2015-12-31			
3 rd prior year 2014-12-31			
4 th prior year 2013-12-31			
5 th prior year 2012-12-31			
6 th prior year* 2011-12-31			
7 th prior year 2010-12-31			
8 th prior year 2009-12-31			
9 th prior year 2008-12-31			
10 th prior year 2007-12-31			
11 th prior year 2006-12-31			
12 th prior year 2005-12-31			
13 th prior year 2004-12-31			
14 th prior year 2003-12-31			
15 th prior year 2002-12-31			
16 th prior year 2001-12-31			
17 th prior year 2001-09-30			
18 th prior year 2000-12-31			
19 th prior year 1999-12-31			
20 th prior year 1999-12-12			
21 st prior year* 1998-12-12			
Total			

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

Part 4 – Gifts of certified ecologically sensitive land

	Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year	Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539		
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q minus line 539)	540		
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550		
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014 (include this amount on line 112 of Schedule 1)	510		
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include this amount on line 112 of Schedule 1)	520		
Subtotal (add lines 550, 510, and 520)	R		
Subtotal (line 540 plus amount R)	S		
Adjustment for an acquisition of control	555		
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560		
Subtotal (line 555 plus line 560)	T		
Gifts of certified ecologically sensitive land closing balance (amount S minus amount T)	580		

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date	Federal	Québec	Alberta
Year of origin:			
1 st prior year 2016-12-31			
2 nd prior year 2015-12-31			
3 rd prior year 2014-12-31			
4 th prior year 2013-12-31			
5 th prior year 2012-12-31			
6 th prior year* 2011-12-31			
7 th prior year 2010-12-31			
8 th prior year 2009-12-31			
9 th prior year 2008-12-31			
10 th prior year 2007-12-31			
11 th prior year* 2006-12-31			
12 th prior year 2005-12-31			
13 th prior year 2004-12-31			
14 th prior year 2003-12-31			
15 th prior year 2002-12-31			
16 th prior year 2001-12-31			
17 th prior year 2001-09-30			
18 th prior year 2000-12-31			
19 th prior year 1999-12-31			
20 th prior year 1999-12-12			
21 st prior year* 1998-12-12			
Total			

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

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

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

Part 5 – Additional deduction for gifts of medicine

	Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year	U		
Additional deduction for gifts of medicine expired after 5 tax years* 639			
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U minus line 639) 640			
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary 650			
Additional deduction for gifts of medicine made before March 22, 2017:			
Proceeds of disposition 602			
Cost of gifts of medicine made before March 22, 2017 601			
Subtotal (line 602 minus line 601)	V		
Amount V multiplied by 50 % W			
Eligible amount of gifts 600			
Federal	Additional deduction for gifts of medicine made before March 22, 2017 610		
a _____ x $\left(\frac{b}{c} \right)$ =			
Québec	Additional deduction for gifts of medicine made before March 22, 2017 _____		
a _____ x $\left(\frac{b}{c} \right)$ =			
Alberta	Additional deduction for gifts of medicine made before March 22, 2017 _____		
a _____ x $\left(\frac{b}{c} \right)$ =			
where:			
a is the lesser of line 601 and amount W			
b is the eligible amount of gifts (line 600)			
c is the proceeds of disposition (line 602)			
Subtotal (line 650 plus line 610)	X		
Subtotal (line 640 plus amount X)	Y		
Adjustment for an acquisition of control 655			
Amount applied in the current year against taxable income 660			
(enter this amount on line 315 of the T2 return)			
Subtotal (line 655 plus line 660)	Z		
Additional deduction for gifts of medicine closing balance (amount Y minus amount Z) 680			
* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.			

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1 st prior year	2016-12-31			
2 nd prior year	2015-12-31			
3 rd prior year	2014-12-31			
4 th prior year	2013-12-31			
5 th prior year	2012-12-31			
6 th prior year*	2011-12-31			
7 th prior year	2010-12-31			
8 th prior year	2009-12-31			
9 th prior year	2008-12-31			
10 th prior year	2007-12-31			
11 th prior year	2006-12-31			
12 th prior year	2005-12-31			
13 th prior year	2004-12-31			
14 th prior year	2003-12-31			
15 th prior year	2002-12-31			
16 th prior year	2001-12-31			
17 th prior year	2001-09-30			
18 th prior year	2000-12-31			
19 th prior year	1999-12-31			
20 th prior year	1999-12-12			
21 st prior year*	1998-12-12			
Total				

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

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

		Québec	
Year of origin:			
1 st prior year	2016-12-31		
2 nd prior year	2015-12-31		
3 rd prior year	2014-12-31		
4 th prior year	2013-12-31		
5 th prior year	2012-12-31		
6 th prior year*	2011-12-31		
7 th prior year	2010-12-31		
8 th prior year	2009-12-31		
9 th prior year	2008-12-31		
10 th prior year	2007-12-31		
11 th prior year	2006-12-31		
12 th prior year	2005-12-31		
13 th prior year	2004-12-31		
14 th prior year	2003-12-31		
15 th prior year	2002-12-31		
16 th prior year	2001-12-31		
17 th prior year	2001-09-30		
18 th prior year	2000-12-31		
19 th prior year	1999-12-31		
20 th prior year	1999-12-12		
21 st prior year*	1998-12-12		
Total			

* These gifts expired in the current year.

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

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Corporations must use this schedule to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d); or
 - taxable dividends paid in the tax year that qualify for a dividend refund.
- All legislative references are to the federal *Income Tax Act*.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A1 – Enter "X" if dividends received from a foreign source.
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only** if the payer corporation is **connected**.

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing column J and K use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD	E Non-taxable dividends under section 83
	200		205	210	220	230
1	RBC Summary		2			
Total of column E (enter amount on line 402 of Schedule 1)						

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) ^{note 1}	F1 Eligible dividends (included in column F)	F2	G Dividends included in column F that was received before 2016	H Total taxable dividends paid by connected payer corporation (for tax year in column D)	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	J Part IV tax before deductions. Dividends (from column G) received before 2016 multiplied by 33 1/3% ^{note 3}	K Part IV tax before deductions. Dividends received after 2015 (column F minus column G) multiplied by 38 1/3% ^{note 4}
	240			241	250	260	270	275
1	14,161	14,155	1					5,428
	14,161							5,428
	Total of column F (include this amount on line 320 of the T2 Return)						Total of column J (enter amount on line a in Part 2)	Total of column K (enter amount on line b in Part 2)

1 If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270 or column 275 as applicable according to the date received. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

3 For dividends received **before 2016** from **connected** corporations, Part IV tax on dividends is equal to: column G **multiplied** by column I **divided** by column H.

4 For dividends received **after 2015** from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by the result of column F **minus** column G.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received **before** 2016, before deductions (total of column J in part 1) a
 Part IV tax on dividends received **after** 2015, before deductions (total of column K in part 1) 5,428 b
 Part IV tax before deductions (amount a **plus** amount b) 5,428 L

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320**
 Subtotal (amount L **minus** line 320) 5,428 M

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax **330** c
 Non-capital losses from previous years claimed to reduce Part IV tax **335** d
 Current-year farm loss claimed to reduce Part IV tax **340** e
 Farm losses from previous years claimed to reduce Part IV tax **345** f
 Total losses applied against Part IV tax (total of amounts c to f) g

If your tax year begins after December 31, 2015:

Amount g **multiplied by** 38 1 / 3 % h

If your tax year begins before January 1, 2016:

Amount b or M whichever is less
 ÷ 38 1 / 3 % ... = 1
 Amount 1 or g, whichever is less 2
 Amount g **minus** amount 2 3
 Amount 2 x 38 1 / 3 % = i
 Amount 3 x 33 1 / 3 % = j
 Subtotal (amount i **plus** amount j) k

Amount h or amount k, whichever applies depending on your tax year start date N

Part IV tax payable (amount M **minus** amount N, if negative enter "0") **360** 5,428

(enter amount on line 712 of the T2 return)

Part of the amount on line 360 attributable to:

– Eligible dividends received from unconnected corporations N1
 – Taxable dividends received from connected corporations which generated a dividend refund from their ERDTH account N2
 – Other taxable dividends N3

Note: The total of amounts N1, N2 and N3 cannot be greater than the amount on line 360. For more information, consult the Help (F1).

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

O Name of connected recipient corporation	P Business Number	Q Tax year-end of connected recipient corporation in which the dividends in column R were received YYYY/MM/DD	R Taxable dividends paid to connected corporations	R1 Eligible dividends (included in column R)
400	410	420	430	
1 Windsor Canada Utilities	86712 9181 RC0001	2017-12-31	4,000,000	
2				

Total of column R 4,000,000

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

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund
 (total of column R **plus** line 450) **460** 4,000,000

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)	4,000,000
Other dividends paid in the tax year (total of 510 to 540)	
Total dividends paid in the tax year	5004,000,000

Deduct:

Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		S
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount S)	4,000,000	T



Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule if, during the tax year, your corporation:
 - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
 - is claiming provincial or territorial tax credits or rebates (see Part 2); or
 - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- Enter the regulation number in field 100 of Part 1.

Part 1 – Allocation of taxable income

100	Enter the Regulation that applies (402 to 413).				
A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year.*	B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore Yes <input type="checkbox"/>	104		144		
Prince Edward Island Yes <input type="checkbox"/>	105		145		
Nova Scotia Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore Yes <input type="checkbox"/>	108		148		
New Brunswick Yes <input type="checkbox"/>	109		149		
Quebec Yes <input type="checkbox"/>	111		151		
Ontario Yes <input type="checkbox"/>	113		153		
Manitoba Yes <input type="checkbox"/>	115		155		
Saskatchewan Yes <input type="checkbox"/>	117		157		
Alberta Yes <input type="checkbox"/>	119		159		
British Columbia Yes <input type="checkbox"/>	121		161		
Yukon Yes <input type="checkbox"/>	123		163		
Northwest Territories Yes <input type="checkbox"/>	125		165		
Nunavut Yes <input type="checkbox"/>	126		166		
Outside Canada Yes <input type="checkbox"/>	127		167		
Total	129 G		169 H		

* "Permanent establishment" is defined in subsection 400(2).

** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If the corporation has provincial or territorial tax payable, complete Part 2.
3. If the corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
11,338,278		11,338,278	1,303,902

Ontario basic income tax (from Schedule 500) **270** 1,303,902

Ontario small business deduction (from Schedule 500) **402**

Subtotal (line 270 **minus** line 402) 1,303,902 ▶ 1,303,902 5A

Ontario transitional tax debits (from Schedule 506) **276**

Recapture of Ontario research and development tax credit (from Schedule 508) **277**

Subtotal (line 276 **plus** line 277) ▶ 5B

Gross Ontario tax (amount 5A **plus** amount 5B) 1,303,902 5C

Ontario resource tax credit (from Schedule 504) **404**

Ontario tax credit for manufacturing and processing (from Schedule 502) **406**

Ontario foreign tax credit (from Schedule 21) **408**

Ontario credit union tax reduction (from Schedule 500) **410**

Ontario political contributions tax credit (from Schedule 525) **415**

Ontario non-refundable tax credits (total of lines 404 to 415) ▶ 5D

Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0") 1,303,902 5E

Ontario research and development tax credit (from Schedule 508) **416** 16,516

Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0") 1,287,386 5F

Ontario corporate minimum tax credit (from Schedule 510) **418**

Ontario community food program donation tax credit for farmers (from Schedule 2) **420**

Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative enter "0") 1,287,386 5G

Ontario corporate minimum tax (from Schedule 510) **278**

Ontario special additional tax on life insurance corporations (from Schedule 512) **280**

Subtotal (line 278 **plus** line 280) ▶ 5H

Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H) 1,287,386 5I

Ontario qualifying environmental trust tax credit **450**

Ontario co-operative education tax credit (from Schedule 550) **452** 49,061

Ontario apprenticeship training tax credit (from Schedule 552) **454** 83,891

Ontario computer animation and special effects tax credit (from Schedule 554) **456**

Ontario film and television tax credit (from Schedule 556) **458**

Ontario production services tax credit (from Schedule 558) **460**

Ontario interactive digital media tax credit (from Schedule 560) **462**

Ontario sound recording tax credit (from Schedule 562) **464**

Ontario book publishing tax credit (from Schedule 564) **466**

Ontario innovation tax credit (from Schedule 566) **468**

Ontario business-research institute tax credit (from Schedule 568) **470**

Ontario refundable tax credits (total of lines 450 to 470) 132,952 ▶ 132,952 5J

Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) **290** 1,154,434

(if a credit, enter amount in brackets) Include this amount on line 255.

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits **255** 1,154,434

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

Summary of Dispositions of Capital Property

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule if your corporation disposed of (actual or deemed) capital property or claimed an allowable business investment loss (ABIL), or both, in the tax year.
- Also use this schedule to make a designation under paragraph 111(4)(e) of the *Income Tax Act* if control of the corporation has been acquired by a person or a group of persons.
- For more information, see the section called "Schedule 6, Summary of Dispositions of Capital Property" in Guide T4012, *T2 Corporation – Income Tax Guide*.

Designation under paragraph 111(4)(e) of the Income Tax Act

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)? **050** 1 Yes ☐ 2 No ☒If **yes**, attach a statement specifying which properties such a designation applies to.

Part 1 – Shares

1 Number of shares 100	2 Name of corporation in which the shares are held 105	3 Class of shares 106	4 Date of Acquisition YYYY/MM/DD 110	5 Proceeds of disposition 120	6 Adjusted cost base 130	7 Outlays and expenses from disposition 140	8 Gain (or loss) (column 5 minus columns 6 and 7) 150	Foreign source
Totals								
Total adjustment under subsection 112(3) of the Act to all losses identified in Part 1							160	
Actual gain or loss from the disposition of shares (total of column 8 plus line 160)								A

Part 2 – Real estate (Do not include losses on depreciable property)

	1 Municipal address of real estate 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code 200	2 Date of Acquisition YYYY/MM/DD 210	3 Proceeds of disposition 220	4 Adjusted cost base 230	5 Outlays and expenses from disposition 240	6 Gain (or loss) (column 3 minus columns 4 and 5) 250	Foreign source
1	191 Bruce		42,941	20,467		22,474	
	Windsor						
	ON						
2	1266 Prince		2,515	1,264		1,251	
	Windsor						
	ON						
Totals			45,456	21,731		23,725	B

Part 3 – Bonds

1 Face value of bonds 300	2 Maturity date YYYY/MM/DD 305	3 Name of bond issuer 307	4 Date of Acquisition YYYY/MM/DD 310	5 Proceeds of disposition 320	6 Adjusted cost base 330	7 Outlays and expenses from disposition 340	8 Gain (or loss) (column 5 minus columns 6 and 7) 350	Foreign source
Totals								C

Part 4 – Other properties (Do not include losses on depreciable property)

	1 Description of other property 400	2 Date of Acquisition YYYY/MM/DD 410	3 Proceeds of disposition 420	4 Adjusted cost base 430	5 Outlays and expenses from disposition 440	6 Gain (or loss) (column 3 minus columns 4 and 5) 450	Foreign source
1	191 Bruce		54,306	25,884		28,422	
2	1266 Prince		42,189	21,205		20,984	
	Totals		96,495	47,089		49,406	D

Note
Other property includes capital debts established as bad debts, as well as amounts that arise from foreign currency transactions.

Part 5 – Personal-use property (Do not include listed personal property)

	1 Description of personal-use property 500	2 Date of Acquisition YYYY/MM/DD 510	3 Proceeds of disposition 520	4 Adjusted cost base 530	5 Outlays and expenses from disposition 540	6 Gain only (column 3 minus columns 4 and 5; if negative, enter "0") 550	Foreign source
	Totals						E

Note
You cannot deduct losses on dispositions of personal-use property (other than listed personal property) from your income.

Part 6 – Listed personal property

	1 Description of listed personal property 600	2 Date of Acquisition YYYY/MM/DD 610	3 Proceeds of disposition 620	4 Adjusted cost base 630	5 Outlays and expenses from disposition 640	6 Gain (or loss) (column 3 minus columns 4 and 5) 650	Foreign source
	Totals						

Deduct: Unapplied listed personal property losses from other years (amount from line 530 of Schedule 4, *Corporation Loss Continuity and Application*) **655**

Net gains (or losses) from the disposition of listed personal property (total of column 6 **minus** line 655) **F**

Note
Net listed personal property losses can only be applied against listed personal property gains.

Part 7 – Property qualifying for and resulting in an allowable business investment loss

	1 Name of small business corporation 900	2 Shares, enter 1; debt, enter 2 905	3 Date of Acquisition YYYY/MM/DD 910	4 Proceeds of disposition 920	5 Adjusted cost base 930	6 Outlays and expenses from disposition 940	7 Loss only (column 4 minus columns 5 and 6) 950	Foreign source
	Totals							

Allowable business investment losses (ABILs) Total of Column 7 x 50.0000 % = **G**

Enter amount G on line 406 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.

Note
Properties listed in Part 7 should not be included in any other parts of this schedule.

Part 8 – Capital gains or losses

Total of amounts A to F (do not include amount F if it is a loss)	73,131	H
Add:		
Capital gains dividend received in the year	875	75,949 I <input type="checkbox"/>
Capital gains reserve opening balance (from Part 1 of Schedule 13, <i>Continuity of Reserves</i> , enter the amount from line 8, <i>Balance at the beginning of the year plus</i> the amount from line 9, <i>Transfer on an amalgamation or the wind-up of a subsidiary</i>)	880	J
Subtotal (total of amounts H to J)	149,080	K
Deduct: Capital gains reserve closing balance (from Schedule 13)	885	L
Capital gains or losses, excluding ABILs (amount K minus amount L)	890	149,080 M

Part 9 – Taxable capital gains and total capital losses

Capital gains or losses, excluding ABILs (amount from line 890 in Part 8)	149,080	N
Deduct the following amounts included in amount N, that are subject to the zero inclusion rate:		
Note		
When a taxpayer is entitled to an advantage in respect of a donation, the zero inclusion rate is restricted to only part of the taxpayer's capital gain on disposition of the property. See section 38.2 of the Act for more information.		
Gain on the donation to a qualified donee of a share, debt obligation, or right listed on a designated stock exchange and other securities under subparagraphs 38(a.1)(i) and (iii) of the Act	895	a <input type="checkbox"/>
Gain on the donation to a qualified donee of ecologically sensitive land under paragraph 38(a.2) of the Act*	896	b <input type="checkbox"/>
Exempt portion of the gain on the donation of securities arising from the exchange of a partnership interest under paragraph 38(a.3)	b-2	<input type="checkbox"/>
Subtotal (amount a plus amount b plus b-2)		O
Subtotal (amount N minus amount O)	149,080	P
Add:		
Deemed capital gain from the donation of property included in a flow-through share class of property to a qualified donee under subsection 40(12) of the Act:		
Exemption threshold at time of disposition	897	c
The total of all capital gains from the disposition of the actual property	898	d
Amount c or amount d, whichever is less		Q <input type="checkbox"/>
Taxable capital gains under section 34.2 of the Act (line 275 of Schedule 73, <i>Income Inclusion Summary for Corporations that are Members of Partnerships</i>)	x	2 = 899 R
Subtotal (total of amounts P to R)	149,080	S
Deduct:		
Allowable capital losses under section 34.2 of the Act (line 285 of Schedule 73, <i>Income Inclusion Summary for Corporations that are Members of Partnerships</i>)	x	2 = 901 T
Total capital gains or losses (amount S minus amount T)	149,080	U
Taxable capital gains or total capital losses		
Total capital losses (amount U, if amount U is negative; if amount U is positive, enter "0")		V
Enter amount V on line 210 of Schedule 4.		
Taxable capital gains (if amount U is positive, enter amount U	149,080	multiplied by 50.0000 %;
if amount U is negative, enter "0")		74,540 W
Enter amount W on line 113 of Schedule 1.		

* Do not include gains on donations of ecologically sensitive land to a private foundation.



Aggregate Investment Income and Active Business Income

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
 - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax;
 - your **specified partnership income**, if you are a member or **designated member** of one or more partnerships as defined under subsection 125(7); and
 - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7).
- Use this schedule if another CCPC is making an assignment of business limit under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- All legislative references are to the *Income Tax Act*.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, *T2 Corporation – Income Tax Guide*.
- All notes with regards to this form can be found at the bottom of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Eligible portion of taxable capital gains for the year	002	74,540	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012		
Net capital losses of previous years claimed on line 332 on the T2 return	022		
Subtotal (line 012 plus line 022)			A
Line 002 minus amount A (if negative, enter "0")		74,540	B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	260,046	
Exempt income	042		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052		
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	062	14,161	
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072		
Subtotal (add lines 042, 052, 062 and 072)		14,161	C
Subtotal (line 032 minus amount C)		245,885	D
Amount B plus amount D		320,425	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082		
Amount E minus line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092	320,425	

Part 2A – Canadian investment income calculation

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13	74,540	1.1		
Reserve's eligible portion (addition/deduction)		1.2		
Taxable capital gains under section 34.2 (line 275 on Schedule 73)		1.3		
Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve from Schedule 13 and the taxable capital gains under section 34.2 (add amounts 1.1, 1.2, and 1.3)	74,540		74,540	1a
Eligible portion of allowable capital losses for the year (including allowable business investment losses)		2.1		
Net capital losses of previous years claimed on line 332 on the T2 return		2.2		
Allowable capital losses under section 34.2 (line 285 of Schedule 73)		2.3		
Add amounts 2.1, 2.2 and 2.3				2a
Amount 1a minus amount 2a (if negative, enter "0")			74,540	3a
Taxable dividends	14,161	4.1		
Rental property income (under regulation 1100(11))		4.2		
Other property income	225,833	4.3		
Property income under section 34.2 (line 280 of Schedule 73)		4.4		
Total property income from Canadian sources (add amounts 4.1, 4.2, 4.3 and 4.4)	239,994		239,994	4a
Exempt income		5.1		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year		5.2		
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	14,161	5.3		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)		5.4		
Add amounts 5.1, 5.2, 5.3 and 5.4	14,161		14,161	5a
Amount 4a minus amount 5a			225,833	6a
Amount 3a plus amount 6a			300,373	7a
Rental property losses (under regulation 1100(11))		8.1		
Dividend losses		8.2		
Other property losses		8.3		
Property losses under section 34.2 (line 280 of Schedule 73)		8.4		
Total property losses from Canadian sources (add amounts 8.1, 8.2, 8.3 and 8.4)				8a
Amount 7a minus amount 8a (if negative, enter "0")			300,373	9a

Part 2 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13

Reserve's eligible portion (addition/deduction)

Taxable capital gains under section 34.2 (line 275 of Schedule 73)*

Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve (federal) of Schedule 13 and taxable capital gains under section 34.2 (**add** amounts a1, a2, and a3)

Allowable capital losses for the year

Allowable capital losses under section 34.2 (line 285 of Schedule 73)*

Eligible portion of allowable capital losses for the year (including allowable business investment losses) (**Add** amounts b1 and b2)

Subtotal (line 001 **minus** line 009) (if negative, enter "0")

Taxable dividends

Rental property income (under regulation 1100(11))

Other property income

Property income under section 34.2 (line 280 of Schedule 73)*

Total income from property from a source **outside Canada**

(net of related expenses) (**add** amounts c1, c2, c3 and c4)

Exempt income

Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)

Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)

Subtotal (**add** lines 029, 049, and 059)

Subtotal (line 019 **minus** amount G)

Amount F **plus** amount H

Rental property losses (under regulation 1100(11))

Dividend losses

Other property losses

Property losses under section 34.2 (line 280 of Schedule 73)*

Total losses from property from a source **outside Canada** (**add** amounts d1, d2, d3 and d4)

Amount I **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)

* When an amount is entered on these lines, the amounts calculated for the taxable capital gains or allowable capital losses on lines 1.3 and 2.3 as well as property income or losses on lines 4.4 and 8.4 in Part 2A, "Canadian investment income calculation" are automatically updated. For more details, press F1 to consult the Help.

Net taxable dividends	Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3	14,161		14,161
Less: Expenses related to such dividends			
Total expenses			
Net taxable dividends	14,161		14,161

Part 3 – Specified partnership income

Table 1 – Specified partnership income

A		A1				1A
Is the corporation a designated member of the partnership?		Partnership name				Partnership's account number
		200				
Yes	No					

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business	Corporation's share of amount in column B1	Income of the corporation from providing (directly or indirectly) services or property to the partnership <small>note 1</small>	Adjustments under section 34.2 <small>note 2</small>	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D minus column 2D)	Corporation's income (loss) in respect of the partnership <small>note 3</small> (add columns C1, D1 and E1)
300	310	311			315	320
Total 350						

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period	Prorated business limit <small>notes 3 and 4</small> (column C1 ÷ column B1) × [\$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0")	Specified partnership business limit assigned to you (from H2 in Table 2) <small>notes 1, 6 and 7</small>	Specified partnership business limit assigned by you (from F3 in Table 3) <small>notes 1, 6 and 8</small>	Specified partnership business limit amount (column H1 plus column I1 minus column J1)	Column F1 minus column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") <small>notes 5</small>
325	330	335	336			340
Total 385 360						

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount **370**

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) **380**

Subtotal (line 370 **plus** line 380) J

Amount at line 385 or amount J, whichever is less **390**

Specified partnership income (line 360 **plus** line 390) **400**

(enter at amount N in Part 4)

Part 3 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

If you are a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2		2A	B2		
Partnership name		Partnership's account number	Name of the member		
405			406		
C2	D2	E2	F2	G2	H2
Business number of the member (if applicable)	Social insurance number of the member (if applicable)	Trust account number of the member (if applicable)	Tax year start of the member (yyyymmdd)	Tax year-end of the member (yyyymmdd)	Specified partnership business limit assigned to you by the member note 9
410	411	412	415	416	420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3		3A	B3	
Partnership name		Partnership's account number	Name of the designated member	
425			426	
C3	D3	E3	F3	
Business number of the designated member	Tax year start of the designated member	Tax year-end of the designated member (yyyymmdd)	Specified partnership business limit assigned by you to the designated member note 10	
430	435	436	440	

Part 4 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 3 (if the net amount is negative, enter "0" on line 450) K

Specified partnership loss (from line 380 in Part 3) L

Subtotal (amount K **plus** amount L) M

Specified partnership income (from line 400 in Part 3) N

Partnership income not eligible for the small business deduction (amount M **minus** amount N) **450**

(enter at amount V in Part 5)

Part 5 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return	11,389,754	O	
Allowable business investment loss from line 406 of Schedule 1		P	
Subtotal (amount O plus amount P)	11,389,754		11,389,754 Q
Foreign business income after deducting related expenses ^{note 11}	500		
Taxable capital gains from line 113 of Schedule 1	74,540	R	
Net property income (line 032 ^{note 12} minus the total of lines 042, 052 and 082 in Part 1) ^{note 11}	260,046	S	
Personal services business income after deducting related expenses ^{note 11}		e1	
Other income after deducting related expenses ^{note 11}		e2	
Subtotal (amount e1 plus amount e2) ^{note 11}	520		
Subtotal (add line 500, amount R, amount S and line 520)	334,586		334,586 T
Net amount (amount Q minus amount T)			11,055,168 U
Partnership income not eligible for the small business deduction (line 450 in Part 4)		V	
Partnership income allocated to your corporation under subsection 96(1.1)	530		
Income referred to in clause 125(1)(a)(i)(C)	540		
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 6)		W	
Subtotal (add amount V, line 530, line 540 and amount W)			X
Specified corporate income (from line 625 in Part 6)			Y
Income from active business carried on in Canada (amount U minus amount X plus amount Y)			11,055,168 Z
(enter amount Z on line 400 of the T2 return - if negative, enter "0")			

Part 6 – Specified corporate income and assignment under subsection 125(3.2)

Applies to tax years that begin after March 21, 2016.

A CCPC can also make an assignment of business limit to you for its tax year that **starts before** March 22, 2016, and **ends after** March 21, 2016, if your tax year **starts** after March 21, 2016.

1AA Name of the corporation	AA Business number of the corporation	BB Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column AA ^{note 13}	CC Business limit assigned from the corporation identified in column AA ^{note 14}
	600	610	620
1			
Total		615	625

Notes

Note 1 Applies to tax years that **begin after** March 21, 2016. For tax years beginning before March 22, 2016 leave blank.

Note 2 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. Amounts claimed under subsection 34.2(11) and included under subsection 34.2(12) are deemed to have the **same character** and be in the **same proportions** as the qualifying transitional income. For example, if a corporation receives \$100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of \$40,000 of active business income, \$30,000 of income from property, and \$30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
- the current-year transitional reserve under subsection 34.2(11) (column 11 of Schedule 73)

Note 3 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 4 For tax years that begin after March 21, 2016, **if you are a designated member** of the partnership, enter "0".

Note 5 For tax years that begin after March 21, 2016, you must enter "0" **if** the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
 - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
 - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
 - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
 - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 6 A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

Note 7 If you are a **designated member** receiving an assignment of **specified partnership business limit**, complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 8 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 9 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 10 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 11 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 12 Net of related expenses.

Note 13 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

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

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to

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

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

Do **not** include income from an associated corporation if the conditions described in subsection 125(10) are met.

Note 14 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column BB that is from providing services or property **directly** to that CCPC. If there is an amount included in column BB that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column BB for the purpose of determining the amount that can be assigned to you.

Attached Schedule with Total

Other property income

Title Other property income

Description	Operator (Note)	Amount
T3 - RBC Investor Services Trust		2 00
T5 - RBC Dominion Securities Inc.	+	20,050 00
	+	
	+	
	Total	20,052 00

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

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation 1101(5q)*? **101** Yes ☐ No ☒

	1 Class number *	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below)	4 Adjustments and transfers (see note 2 below)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see notes 3 and 7 below)	7 Reduced undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5 minus column 6) (see note 7 below)	8 CCA rate % (see note 4 below)	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) (see notes 6 and 7 below)	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1		105,599,620			47,089		105,552,531	4	0	0	4,222,101	101,330,430
2.	8		6,147,652	839,243		232,119	303,562	6,451,214	20	0	0	1,290,243	5,464,533
3.	2		15,472,829			0		15,472,829	6	0	0	928,370	14,544,459
4.	47	Electrical Trans & Distrib Assets	68,963,896	5,897,731		49,990	2,923,871	71,887,766	8	0	0	5,751,021	69,060,616
5.	3		1,916,018			0		1,916,018	5	0	0	95,801	1,820,217
6.	45		1,239			0		1,239	45	0	0	558	681
7.	1b	Buildings after March 18, 2007	155,813	364,277		0	182,139	337,951	6	0	0	20,277	499,813
8.	50	Computer Hardware after March	1,015,337	1,163,317		0	581,659	1,596,995	55	0	0	878,347	1,300,307
9.	52					0			100	0	0		
10.	12		1,191,853	1,121,078		0	560,539	1,752,392	100	0	0	1,752,392	560,539
11.	14.1		4,051,729			0		4,051,729	5	0	0	283,621	3,768,108
12.	10			12,153		107,760		-95,607	30	95,607	0		
Totals			204,515,986	9,397,799		436,958	4,551,770	208,925,057		95,607		15,222,731	198,349,703

* Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.

Class 1a: $4\% + 6\% = 10\%$ (class 1 to 10%), class 1b: $4\% + 2\% = 6\%$ (class 1 to 6%).

- Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see *Regulation 1100(2)* and (2.2).
- Note 2. Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost. Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.
- Note 3. The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.
- Note 4. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.
- Note 5. For every entry in column 9, "Recapture of capital cost allowance", there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.
- Note 6. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.
- Note 7. At the time the program was released, the official CRA Schedule 8 had not yet been updated to take into account the new measures added to subsection 1100(2) ITR, as proposed in the *Notice of Ways and Means Motion to amend the Income Tax Act and the Income Tax Regulations* published on November 21, 2018. Therefore, the amounts calculated in columns 6 and 7 do not reflect these new measures. However, the CCA amount calculated in column 12 takes these new measures into account.

T2 SCH 8 (17)

Canada

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		9,397,799	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
Other (specify):			
CIP Increase (Decrease)	+	-368,338	
Contributed capital booked to deferred revenue	+	2,315,399	
Capitalized labour expensed for SRED purposes (software)	+	25,913	
ACB of land	+	21,731	
Prior period pole depreciation adjustment	+	314,051	
Capitalized overhead and burden expensed	+	1,699,587	
Replacement poles	+	2,845,181	
Total additions per books	=	16,251,323	▶ 16,251,323
Proceeds up to original cost – Schedule 8 regular classes		436,958	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+	49,406	
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
Other (specify):			
Land Portion of Class 1 Substain disposals See W/P SS6.2 & SS6.4	+	45,456	
Depreciation on contributed capital (AC#606245)	+	316,768	
Prior year burden re wood pools	+	4,774,883	
Prior year depreciation adjustment	+	2,841,558	
Rounding	+	1	
Overhead adjustment related to burdens and poles	+	334,425	
Total proceeds per books	=	8,799,455	▶ 8,799,455
Depreciation and amortization per accounts – Schedule 1			– 13,143,662
Loss on disposal of fixed assets per accounts			–
Gain on disposal of fixed assets per accounts			+ 66,271
Net change per tax return	=		-5,625,523

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		228,266,275	
Opening net book value	–	233,891,798	
Net change per financial statements	=		-5,625,523

If the amounts from the tax return and the financial statements differ, explain why below.

Attached Schedule with Total

Financial statements – Fixed assets (excluding land) per financial statements – Closing net book value

Title Closing Net Book Value

Description	Operator (Note)	Amount	
NBV of PPE		220,933,976	00
Land (Acc. 110150 & 110160)	-	1,366,049	00
NBV of intangible assets (Acc. 110060 less Acc. 120060)	+	8,698,348	00
	+		
	Total	228,266,275	00

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

Attached Schedule with Total

Other – Amount

Title Other – Amount

Description	Operator (Note)	Amount	
Class 47		2,299,928	00
Class 8	+	15,471	00
	+		
	Total	2,315,399	00

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

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

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

	Name	Country of resi- dence (other than Canada)	Business number (see note 1)	Rela- tion- ship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Enwin Energy Ltd.		88246 2526 RC0001	3					
2.	Windsor Canada Utilities Ltd.		86712 9181 RC0001	1					
3.	Corporation of the City of Windsor		NR	3					
4.	Enwin Financial Services Ltd.		83435 7147 RC0001	3					

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



CONTINUITY OF RESERVES

Name of corporation Enwin Utilities Ltd.	Business number 86712 0586 RC0002	Tax year end Year Month Day 2017-12-31
---------------------------------------------	--------------------------------------	----------------------------------------------

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

Description of property	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
001	002	003			004
1					
Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
	110	115			120
Reserve for doubtful debts <input checked="" type="checkbox"/>	1,250,532		1,038,077	1,250,532	1,038,077
	130	135			140
Reserve for undelivered goods and services not rendered <input type="checkbox"/>					
	150	155			160
Reserve for prepaid rent <input type="checkbox"/>					
	190	195			200
Reserve for refundable containers . . . <input type="checkbox"/>					
	210	215			220
Reserve for unpaid amounts <input type="checkbox"/>					
	230	235			240
Other tax reserves <input type="checkbox"/>					
Totals	1,250,532	275	1,038,077	1,250,532	1,038,077

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Post-retirement benefits	59,475,300		68,392,400	59,475,300	68,392,400
2	Obsolete inventory reserve	775,742		996,870	775,742	996,870
3	Accrued unpaid salary continua			69,671		69,671
4	Accrued bonuses	24,350		29,428	24,350	29,428
5	WUC receivable for post-retiren	-3,698,575		-2,876,870	-3,698,575	-2,876,870
6	Cogeco	250,000		100,000	250,000	100,000
7						
	Reserves from Part 2 of Schedule 13	1,250,532		1,038,077	1,250,532	1,038,077
	Totals	58,077,349		67,749,576	58,077,349	67,749,576

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

The total closing balance should be entered on line 126 of Schedule 1 as an addition.



Federal and Provincial or Territorial Foreign Income Tax Credits and Federal Logging Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Corporations resident in Canada at any time in the year and authorized foreign banks can use this schedule to claim a federal foreign non-business income tax credit, a federal foreign business income tax credit, or a provincial or territorial foreign non-business income tax credit.
- Corporations can use this schedule to claim a federal logging tax credit.
- Calculate the foreign income tax credits for each country separately. Attach another schedule if the corporation is claiming credits for more than five countries.
- Calculate the provincial/territorial foreign non-business income tax credits for each country and province or territory separately.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.

Part 1 – Federal foreign non-business income tax credit

	A Country of source of foreign non-business income 100	B Net foreign non-business income earned in the year *	C Foreign non-business income tax paid for the year **	D Foreign non-business income tax paid, deducted from income under subsection 20(12) 130	E (C – D)
1.	US	20,052	2,846		2,846
2.					

	F Adjusted net income (amount from line 600 in Part 6)	G Part I tax otherwise payable (amount from line 610 in Part 7)	H (B x G) ÷ F (amount in column H cannot be more than amount in column G)	I Deductible credit: lesser of amounts E or H 180
1.	11,375,593	3,208,897	5,656	2,846
2.	11,375,593	3,208,897		
Total deductible federal foreign non-business income tax credit				2,846

Enter the total deductible federal foreign non-business income tax credit, or a lesser amount, on line 632 of the T2 return.

* Exclude income that is exempt from tax in Canada under an income tax treaty, dividends received from foreign affiliates, and tax-exempt income as defined in subsection 126(7). Net foreign non-business income is the excess of qualifying income over qualifying losses, which are determined according to subsection 126(9).

** Exclude taxes paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty; foreign taxes paid on dividends received from foreign affiliates; and any foreign taxes that may reasonably be regarded as relating to an amount that any other person or partnership has received, or is entitled to receive, from that government.

Exclude taxes paid for property (other than capital property) from which the corporation is not expected to realize a profit.

Exclude taxes paid that are in excess of the limit and paid for dividends and interest on a share or debt obligation held for one year or less.

Exclude taxes attributable to amounts received or receivable for eligible loans.

Part 2 – Federal foreign business income tax credit

	A Country in which foreign business income was earned 200	B Net foreign business income earned in the year * 210	C Foreign business income tax paid for the year ** 220	D Unused foreign income tax credits from previous tax years 230	E Total of columns C and D
1.					
	F Adjusted net income (amount from line 600 in Part 6)	G Part I tax otherwise payable (amount from line 620 in Part 8)	H Part I tax otherwise payable minus foreign non-business income tax credits claimed	I (B x G) ÷ F	J Deductible credit: the least of amounts E, H, or I 280
1.	11,375,593	2,876,225	2,873,379		
Total deductible federal foreign business income tax credit					

Enter the total deductible federal foreign business income tax credit, or a lesser amount, on line 636 of the T2 return.

* Exclude income that is exempt from tax in Canada under an income tax treaty and tax-exempt income as defined in subsection 126(7).

Net foreign business income is the excess of qualifying income over qualifying losses, which are determined according to subsection 126(9).

** Exclude taxes paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty. Also exclude any foreign taxes that may reasonably be regarded as relating to an amount that any other person or partnership has received or is entitled to receive from that government.

Exclude taxes paid for property (other than capital property) from which the corporation is not expected to realize a profit.

Exclude taxes paid that are in excess of the limit and paid for dividends and interest on a share or debt obligation held for one year or less.

Part 3 – Continuity of unused federal foreign business income tax credits

	K Country in which foreign business income was earned 345	L Balance at end of the previous tax year	M *** Amount expired in the year 348	N Opening balance (L – M) 350	O Credits transferred on an amalgamation or the wind-up of a subsidiary 360
1.					

*** An unused federal foreign business income tax credit expires as follows:

- after 7 tax years if it was earned in a tax year ending before March 23, 2004; or
- after 10 tax years if it was earned in a tax year ending after March 22, 2004.

	P Foreign business income tax paid for the year (from column C of Part 2)	Q Foreign business income tax credit deductible in the year (cannot be more than the amount in column J of Part 2)	R Carryback to previous years (total of amounts in columns V, W, and X of Part 4)	S Closing balance (N + O + P – Q – R) 380
1.				

Part 4 – Request for a federal foreign business income tax credit carryback

	T Country in which foreign business income was earned 900	U Unused foreign business income tax credit (Part 3, (P – Q))	V Carryback to 1st previous tax year * 901	W Carryback to 2nd previous tax year * 902	X Carryback to 3rd previous tax year * 903
1.					

* Total of carryback (amounts from columns V, W, and X) cannot be more than the unused foreign business income tax credit (amount from column U).

Part 5 – Federal logging tax credit

A Province	B Income from logging under Regulation 700	C Amount B X 6 2/3%	D Logging tax paid on income in column B	E Amount D X 2/3	F Lesser of amounts C or E
British Columbia	500		510		
Quebec	520		530		
Total					
					G
6 2/3% of taxable income (or, for non-residents, 6 2/3% of taxable income earned in Canada)					755,885
					H
Federal logging tax credit – Lesser of amounts G and H					580
Enter amount I or a lesser amount on line 640 of the T2 return.					I

Part 6 – Adjusted net income

Line references are from T2 return.

To be completed by all corporations other than an authorized foreign bank

Net income for income tax purposes (line 300) (if negative, enter "0") 11,389,754

Deduct:

Net capital losses claimed under paragraph 111(1)(b) (line 332) 14,161

Taxable dividends deductible under sections 112 and 113 14,161

Amount deductible under paragraph 110(1)(d.2) for prospector's and grubstaker's shares (line 350) 11,375,593

Subtotal (if negative, enter "0") 11,375,593

Add: Amount added to taxable income for foreign tax deductions under section 110.5 (line 355) 11,375,593

Total 11,375,593 A

To be completed by an authorized foreign bank only

Taxable income earned in Canada (line 360) (if negative, enter "0") B

Income from its Canadian banking business (line 300) (if negative, enter "0")

Add: Amount added to taxable income for foreign tax deductions under subparagraph 115(1)(a)(vii) (line 355) C

Subtotal D

Amount B or C, whichever is less D

Adjusted net income (amount A or D, whichever is applicable) 600 11,375,593

If you need more space, continue on a separate schedule.

Part 7 – Part I tax otherwise payable (foreign non-business income tax credit)

Line references are from T2 return.

Base amount of Part I tax (line 550) 4,308,546 A

Deduct:

Federal tax abatement (line 608) 1,133,828

Investment corporation deduction (line 620)

Additional deduction for credit unions (line 628)

General tax reduction (line 639) 1,133,828

Subtotal 1,133,828 B

Add:

Recapture of investment tax credit (line 602)

Refundable tax on Canadian-controlled private corporation's (CCPC) investment income (line 604) 34,179

Subtotal 34,179 C

Part I tax otherwise payable (foreign non-business income tax credit)
(amount A minus amount B plus amount C) 610 3,208,897



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

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

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

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

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

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

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

Allocating the business limit

Date filed (do not use this area) 025					Year Month Day	
Enter the calendar year to which the agreement applies 050					Year 2017	
Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? 075					<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Enwin Utilities Ltd.	86712 0586 RC0002	1	500,000	100.0000	500,000
2	Enwin Energy Ltd.	88246 2526 RC0001	1	500,000		
3	Windsor Canada Utilities Ltd.	86712 9181 RC0001	1	500,000		
4	Corporation of the City of Windsor	NR	1			
5	Enwin Financial Services Ltd.	83435 7147 RC0001	1	500,000		
Total					100.0000	500,000 A

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

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

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

Special rules for business limit

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

T2 SCH 23 E (18)

Canada

Investment Tax Credit – Corporations

General information

- Use this schedule:
 - to calculate an investment tax credit (ITC) earned during the tax year;
 - to claim a deduction against Part I tax payable;
 - to claim a refund of credit earned during the current tax year;
 - to claim a carryforward of credit from previous tax years;
 - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
 - to request a credit carryback to one or more previous years;
 - if you are subject to a recapture of ITC; or
 - if you are claiming:
 - the **Ontario Research and Development Tax Credit**;
 - the **Ontario Innovation Tax Credit**.
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
 - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
 - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
 - pre-production mining expenditures (Parts 18 to 20);
 - apprenticeship job creation expenditures (Parts 21 to 23); and
 - child care spaces expenditures (Parts 24 to 28).
 - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes, Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

	Specified percentage
Investments	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %
* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a phase of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of specified percentage in subsection 127(9) for more information.	
** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.	
*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of specified percentage in subsection 127(9) for more information.	

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? **101** 1 Yes ☐ 2 No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? **102** 1 Yes ☐ 2 No ☒

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* **103** _____
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number	Description of investment	Date available for use	Location used in Atlantic Canada (province)	Amount of investment
105	110	115	120	125
Total of investments for qualified property and qualified resource property				

A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year		B1
Credit deemed as a remittance of co-op corporations	210	
Credit expired	215	
Subtotal (line 210 plus line 215)	▶	C1
ITC at the beginning of the tax year (amount B1 minus amount C1)	220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230	
ITC from repayment of assistance	235	
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) <div style="float: right;"> x 10 % = 240 </div>		
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) <div style="float: right;"> x 5 % = 242 </div>		
Credit allocated from a partnership	250	
Subtotal (total of lines 230 to 250)	▶	D1
Total credit available (line 220 plus amount D1)		E1
Credit deducted from Part I tax	260	
Credit carried back to previous years (amount H1 in Part 6)	a	
Credit transferred to offset Part VII tax liability	280	
Subtotal (total of line 260, amount a, and line 280)	▶	F1
Credit balance before refund (amount E1 minus amount F1)		G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)	310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 minus line 310)	320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	<table border="1" style="border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> </table>	Year	Month	Day											901 902 903	
Year	Month	Day														
1st previous tax year		Credit to be applied														
2nd previous tax year		Credit to be applied														
3rd previous tax year		Credit to be applied														
Total of lines 901 to 903																
Enter at amount a in Part 5.				H1												

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)		I1
Credit balance before refund (from amount G1 in Part 5)		J1
Refund (40 % of amount I1 or J1, whichever is less)		K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)	455,367	
Contributions to agricultural organizations for SR&ED		
Deduct:		
Government assistance, non-government assistance, or contract payment		
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		
		+
Current expenditures (line 557 on Form T661 plus line 103 in Part 3)*	455,367	350 455,367
Capital expenditures incurred before 2014 (from line 558 on Form T661)**		360
Repayments made in the year (from line 560 on Form T661)		370
Qualified SR&ED expenditures (total of lines 350 to 370)		380 455,367

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** 1 Yes ☒ 2 No ☐

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.

If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) **390**

Enter your taxable capital employed in Canada for the previous tax year minus \$10 million. If this amount is nil or negative, enter "0".

If this amount is over \$40 million, enter \$40 million **398**

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation:

	\$ 8,000,000	
Taxable income for the previous tax year (line 390 in Part 9) or \$500,000, whichever is more		x 10 = A2
Excess (\$8,000,000 minus amount A2; if negative, enter "0")		B2
\$ 40,000,000 minus line 398 in Part 9		b
Amount b divided by \$ 40,000,000		C2
Expenditure limit for the stand-alone corporation (amount B2 multiplied by amount C2)*		D2

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* **400** E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 x Number of days in the tax year 365 = F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) **410**

* Amount D2 or E2 cannot be more than \$3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* **420** x 35 % = G2

Line 350 **minus** line 410 (if negative, enter "0") **430** 455,367

Amount from line 430 x Number of days in the tax year before 2014 x 20% = c

Amount from line 430** 455,367 x Number of days in the tax year after 2013 365 x 15 % = 68,305 d

Subtotal (amount c **plus** amount d) 68,305 ► 68,305 H2

Line 410 **minus** line 350 (if negative, enter "0") e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less* **440** x 35 % = I2

Line 360 **minus** amount e (if negative, enter "0") **450**

Amount from line 450 x Number of days in the tax year before 2014 x 20% = f

Amount from line 450** x Number of days in the tax year after 2013 365 x 15 % = g

Subtotal (amount f **plus** amount g) ► J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8)

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC*** **460** x 35 % = h

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015 **480** x 20 % = i

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014 **490** x 15 % = j

Subtotal (**add** amounts h to j) ► K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) 68,305 L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year			M2
Credit deemed as a remittance of co-op corporations	510		
Credit expired	515		
Subtotal (line 510 plus line 515)		▶	N2
ITC at the beginning of the tax year (amount M2 minus amount N2)		520	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530		
Total current-year credit (from amount L2 in Part 11)	540	68,305	
Credit allocated from a partnership	550		
Subtotal (total of lines 530 to 550)		68,305 ▶	68,305 O2
Total credit available (line 520 plus amount O2)			68,305 P2
Credit deducted from Part I tax	560	68,305	
Credit carried back to previous years (amount S2 in Part 13)			k
Credit transferred to offset Part VII tax liability	580		
Subtotal (total of line 560, amount k, and line 580)		68,305 ▶	68,305 Q2
Credit balance before refund (amount P2 minus amount Q2)			R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)		610	
ITC closing balance on SR&ED (amount R2 minus line 610)		620	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day				
1st previous tax year				..... Credit to be applied	911		
2nd previous tax year				..... Credit to be applied	912		
3rd previous tax year				..... Credit to be applied	913		
Total of lines 911 to 913							S2
Enter at amount k in Part 12.							

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? **650** 1 Yes ☐ 2 No ☒

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) I

Refundable credits (amount I or amount R2 in Part 12, whichever is less)* T2

Amount T2 or amount G2 in Part 11, whichever is less U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") V2

Amount V2 **multiplied** by 40 % W2

Amount U2 X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) Z2

Amount Z2 or amount G2 in Part 11, whichever is less AA2

Net amount (amount Z2 **minus** amount AA2; if negative, enter "0") BB2

Amount BB2 or amount I2 in Part 11, whichever is less CC2

Amount CC2 **multiplied** by 40 % DD2

Amount AA2 EE2

Refund of ITC (amount DD2 **plus** amount EE2) FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case)	Amount from column 700 or 710, whichever is less
700	710	
Subtotal Enter at amount C3 in Part 17.		A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition	Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.)	Amount determined by the formula (A x B) – C	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
720	730	740		750	
Subtotal (total of column F) Enter at amount D3 in Part 17.					B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC

760

Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16	.....	C3
Recaptured ITC from calculation 2, amount B3 in Part 16	.....	D3
Recaptured ITC from calculation 3, line 760 in Part 16	.....	E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3)	.....	F3
Enter at amount A8 in Part 29.		

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805
Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810
Geological, geophysical, or geochemical surveys	811
Drilling by rotary, diamond, percussion, or other methods	812
Trenching, digging test pits, and preliminary sampling	813

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820
Sinking a mine shaft, constructing an adit, or other underground entry	821

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826
Total of column 826	

► A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4) 830

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above 832

Excess (line 830 **minus** line 832) (if negative, enter "0") B4

Repayments of government and non-government assistance 835

Pre-production mining expenditures (amount B4 **plus** line 835) C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year		D4
Credit deemed as a remittance of co-op corporations	841	
Credit expired	845	
Subtotal (line 841 plus line 845)	850	E4
ITC at the beginning of the tax year (amount D4 minus amount E4)	850	
Credit transferred on an amalgamation or the wind-up of a subsidiary	860	
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870 x 10 % =	m
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872 x 5 % =	n
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874 x 7 % =	o
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876 x 4 % =	p
Current year credit (total of amounts m to p)	880	F4
Total credit available (total of lines 850, 860, and amount F4)		G4
Credit deducted from Part I tax	885	
Credit carried back to previous years (amount I4 in Part 20)		q
Subtotal (line 885 plus amount q)		H4
ITC closing balance from pre-production mining expenditures (amount G4 minus amount H4)	890	

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	<table border="1" style="border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> <tr><td style="height: 15px;"></td><td></td><td></td></tr> </table>	Year	Month	Day											921 922 923	
Year	Month	Day														
1st previous tax year		Credit to be applied														
2nd previous tax year		Credit to be applied														
3rd previous tax year		Credit to be applied														
Total of lines 921 to 923				I4												
Enter at amount q in Part 19.																

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.)

611 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
	601	602	603	604	605
1.	CA4154	Powerline Technician	72,409	7,241	2,000
2.	CA4153	Powerline Technician	72,450	7,245	2,000

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or \$ 2,000 605
3.	CA4152	Powerline Technician	67,964	6,796	2,000
4.	SYS035456	Powerline Technician	24,067	2,407	2,000
5.	SYS035454	Powerline Technician	23,939	2,394	2,000
6.	SYS036386	Powerline Technician	33,610	3,361	2,000
Total current-year credit (total of column E) Enter on line 640 in Part 22.					12,000

A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year B5

Credit deemed as a remittance of co-op corporations **612**

Credit expired after 20 tax years **615**

Subtotal (line 612 **plus** line 615) C5

ITC at the beginning of the tax year (amount B5 **minus** amount C5) **625**

Credit transferred on an amalgamation or the wind-up of a subsidiary **630**

ITC from repayment of assistance **635**

Total current-year credit (amount A5 in Part 21) **640** 12,000

Credit allocated from a partnership **655**

Subtotal (total of lines 630 to 655) 12,000 D5

Total credit available (line 625 **plus** amount D5) 12,000 E5

Credit deducted from Part I tax **660** 12,000

Credit carried back to previous years (amount G5 in Part 23) r

Subtotal (line 660 **plus** amount r) 12,000 F5

ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5) **690**

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day		
1st previous tax year				Credit to be applied	931
2nd previous tax year				Credit to be applied	932
3rd previous tax year				Credit to be applied	933
Total of lines 931 to 933					G5
Enter at amount r in Part 22.					

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

Capital cost allowance class number	Description of investment	Date available for use	Amount of investment
665	675	685	695
1.			
Total cost of depreciable property from the current tax year (total of column 695)			715

Specified child care start-up expenditures from the current tax year	705	
Total gross eligible expenditures for child care spaces (line 715 plus line 705)		A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6	725	
Excess (amount A6 minus line 725) (if negative, enter "0")		B6
Repayments by the corporation of government and non-government assistance	735	
Total eligible expenditures for child care spaces (amount B6 plus line 735)	745	

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of \$10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24)	x	25 %	=	C6
Number of child care spaces	755	x \$	10,000	= D6
ITC from child care spaces expenditures (amount C6 or D6, whichever is less)				E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year		F6
Credit deemed as a remittance of co-op corporations	765	
Credit expired after 20 tax years	770	
Subtotal (line 765 plus line 770)	775	G6
ITC at the beginning of the tax year (amount F6 minus amount G6)	777	
Credit transferred on an amalgamation or the wind-up of a subsidiary	780	
Total current-year credit (amount E6 in Part 25)	782	
Credit allocated from a partnership	785	
Subtotal (total of lines 777 to 782)	790	H6
Total credit available (line 775 plus amount H6)	785	I6
Credit deducted from Part I tax	785	
Credit carried back to previous years (amount K6 in Part 27)	s	
Subtotal (line 785 plus amount s)	790	J6
ITC closing balance from child care spaces expenditures (amount I6 minus amount J6)	790	

Part 27 – Request for carryback of credit from child care space expenditures

	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr> <td style="padding: 2px;">2016</td> <td style="padding: 2px;">12</td> <td style="padding: 2px;">31</td> </tr> <tr> <td style="padding: 2px;">2015</td> <td style="padding: 2px;">12</td> <td style="padding: 2px;">31</td> </tr> <tr> <td style="padding: 2px;">2014</td> <td style="padding: 2px;">12</td> <td style="padding: 2px;">31</td> </tr> </table>	Year	Month	Day	2016	12	31	2015	12	31	2014	12	31		Credit to be applied	941	
Year	Month	Day															
2016	12	31															
2015	12	31															
2014	12	31															
1st previous tax year			Credit to be applied	942													
2nd previous tax year			Credit to be applied	943													
3rd previous tax year			Total of lines 941 to 943	943	K6												
					Enter at amount s in Part 26.												

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
 - disposed of or leased to a lessee; or
 - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))

792

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC

795

25% of either the proceeds of disposition (if sold in an arm's length transaction)

or the fair market value (in any other case) of the property

797

Amount from line 795 or line 797, whichever is less

A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799**

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799)

B7

Enter at amount B8 in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)

A8

Recaptured child care spaces ITC (amount B7 in Part 28)

B8

Total recapture of investment tax credit (amount A8 plus amount B8)

C8

Enter on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)

D8

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)

68,305

E8

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19)

F8

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22)

12,000

G8

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26)

H8

Total ITC deducted from Part I tax (total of amounts D8 to H8)

80,305

I8

Enter on line 652 of the T2 return.

Attached Schedule with Total

C – Eligible salary and wages

Title C – Eligible salary and wages

Description	Operator (Note)	Amount	
SALARY		77,409	00
OATTC	+	-5,000	00
	+		
	Total	72,409	00

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

Attached Schedule with Total

C – Eligible salary and wages

Title C – Eligible salary and wages

Description	Operator (Note)	Amount	
SALARY		77,450	00
OATTC	+	-5,000	00
	+		
	Total	72,450	00

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

Attached Schedule with Total

C – Eligible salary and wages

Title C – Eligible salary and wages

Description	Operator (Note)	Amount	
SALARY		72,964	00
OATTC	+	-5,000	00
	+		
	Total	67,964	00

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

Attached Schedule with Total

C – Eligible salary and wages

Title C – Eligible salary and wages

Description	Operator (Note)	Amount	
SALARY		27,122	00
OATTC	+	-3,055	00
	+		
	Total	24,067	00

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

Attached Schedule with Total

C – Eligible salary and wages

Title C – Eligible salary and wages

Description	Operator (Note)	Amount	
SALARY		26,994	00
OATTC	+	-3,055	00
	+		
	Total	23,939	00

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

Attached Schedule with Total

C – Eligible salary and wages

Title C – Eligible salary and wages

Description	Operator (Note)	Amount	
SALARY		36,391	00
OATTC	+	-2,781	00
	+		
	Total	33,610	00

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

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number	97	Apprenticeship job creation ITC			
Current year					
	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	12,000	12,000			
Prior years					
Taxation year		ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2016-12-31					
2015-12-31					
2014-12-31					
2013-12-31					
2012-12-31					
2011-12-31					
2010-12-31					
2009-12-31					
2008-12-31					
2007-12-31					*
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-09-30					
2000-12-31					
1999-12-31					
1999-12-12					*
	Total				
B+C+D+G				Total ITC utilized	12,000
<p>* The ITC end of year includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.</p>					

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number	99	Cur. or cap. R&D for ITC			
Current year					
	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	68,305	68,305			
Prior years					
Taxation year		ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2016-12-31					
2015-12-31					
2014-12-31					
2013-12-31					
2012-12-31					
2011-12-31					
2010-12-31					
2009-12-31					
2008-12-31					
2007-12-31					*
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-09-30					
2000-12-31					
1999-12-31					
1999-12-12					*
	Total				
B+C+D+G				Total ITC utilized	68,305
* The ITC end of year includes the amount of ITC expired from the 10 th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20 th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.					

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

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

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	66,783,735
Capital stock (or members' contributions if incorporated without share capital)	103	62,008,479
Retained earnings	104	93,520,809
Contributed surplus	105	
Any other surpluses	106	516,527
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	15,347,989
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		238,177,539
		238,177,539 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1) 238,177,539 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year **121**

Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year **122**

To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. **123**

Deferred unrealized foreign exchange losses at the end of the year **124**

Subtotal (add lines 121 to 124) ▶ B

Capital for the year (amount A minus amount B) (if negative, enter "0") **190** 238,177,539

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation **401**

A loan or advance to another corporation (other than a financial institution) **402**

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) **403**

Long-term debt of a financial institution **404**

A dividend payable on a share of the capital stock of another corporation **405**

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) **406**

An interest in a partnership (see note 2 below) **407**

Investment allowance for the year (add lines 401 to 407) **490**

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190) 238,177,539 C

Deduct: Investment allowance for the year (line 490) D

Taxable capital for the year (amount C minus amount D) (if negative, enter "0") **500** 238,177,539

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	238,177,539	x	Taxable income earned in Canada	610	11,338,278	=	Taxable capital employed in Canada	690	238,177,539
			Taxable income		11,338,278				

- Notes:**
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **701**

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada **711**

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **712**

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) **713**

Total deductions (add lines 711, 712, and 713) **▶** **E**

Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0") **790**

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) **F**

Deduct: 10,000,000 **G**

Excess (amount F minus amount G) (if negative, enter "0") **H**

Calculation for purposes of the small business deduction (amount H x 0.225%) **I**

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for th

Description	Operator (Note)	Amount	
Non-deductible reserves per schedule 13		66,783,735	00
	+		
	+		
	Total	66,783,735	00

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

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount	
Customer deposits - long term portion		12,680,654	00
Customer deposits - current portion	+	2,667,335	00
	+		
	+		
	+		
	Total	15,347,989	00

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

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	Windsor Canada Utilities Ltd.	86712 9181 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

On: 2017-12-31

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

Eligibility for the various additions

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

2006 addition

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

Change in the type of corporation

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

Amalgamation (first year of filing after amalgamation)

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

Winding-up

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

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year	100	46,847,509	A
Taxable income for the year (DICs enter "0") *	110	11,338,278	B
Amount on line 400, 405, 410, or 427 of the T2 return, whichever is less *	130		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140	320,425	
Subtotal (line 130 plus line 140)		320,425	C
Income taxable at the general corporate rate (amount B minus amount C) (if negative enter "0")	150	11,017,853	
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190	7,932,854	D
Eligible dividends received in the tax year	200	14,155	
Dividends deductible under section 113 received in the tax year	210		
Subtotal (line 200 plus line 210)		14,155	E
Becoming a CCPC (amount W5 in Part 4)	220		
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4)	230		
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4)	240		
Subtotal (add lines 220, 230, and 240)	290		F
Subtotal (add amounts A, D, E, and F)		54,794,518	G
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)			
Subtotal (line 300 minus line 310)			H
GRIP before adjustment for specified future tax consequences (amount G minus amount H) (amount can be negative)	490	54,794,518	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount N3 in Part 2)	560		
GRIP at the end of the tax year (line 490 minus line 560)	590	54,794,518	

Enter this amount on line 160 of Schedule 55.

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

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

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

First previous tax year 2016-12-31

Taxable income before specified future tax consequences
from the current tax year 17,181,266 A1

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

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

Aggregate investment income
(line 440 of the T2 return) 376,223 C1

Subtotal (amount B1 **plus** amount C1) 376,223 ► 376,223 D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 16,805,043 ► 16,805,043 E1

Future tax consequences that occur for the current year

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences F1

Enter the following amounts after specified future tax consequences:

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

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

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

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

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

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

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

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

Second previous tax year 2015-12-31

Taxable income before specified future tax consequences from
the current tax year 10,855,629 A2

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

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

Aggregate investment income
(line 440 of the T2 return) 111,525 C2

Subtotal (amount B2 **plus** amount C2) 111,525 ► 111,525 D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 10,744,104 ► 10,744,104 E2

Future tax consequences that occur for the current year

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427
of the T2 return, whichever is less G2

Aggregate investment income
(line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) ► I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ► J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") K2

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

(amount K2 **multiplied** by 0.72) **520**

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

Third previous tax year 2014-12-31

Taxable income before specified future tax consequences from
the current tax year 12,779,088 A3

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

Amount on line 400, 405, 410, or 427
of the T2 return, whichever is less B3

Aggregate investment income
(line 440 of the T2 return) 711 C3

Subtotal (amount B3 **plus** amount C3) 711 ► 711 D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") 12,778,377 ► 12,778,377 E3

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

Taxable income after specified future tax consequences F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 427
of the T2 return, whichever is less G3

Aggregate investment income
(line 440 of the T2 return) H3

Subtotal (amount G3 **plus** amount H3) ► I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ► J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") K3

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

(amount K3 **multiplied by** 0.72) **540**

Total GRIP adjustment for specified future tax consequences to previous tax years:

(**add** lines 500, 520, and 540) (if negative, enter "0") L3

Enter amount L3 on line 560 in part 1.

**Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up
(predecessor or subsidiary was a CCPC or a DIC in its last tax year)**

nb. 1 Postamalgamation . . . ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year A4

Eligible dividends paid by the corporation in its last tax year B4

Excessive eligible dividend designations made by the corporation in its last tax year C4

Subtotal (amount B4 **minus** amount C4) ▶ D4

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(amount A4 **minus** amount D4) E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC ☐ Post amalgamation ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year A5

The corporation's money on hand immediately before the end of its previous/last tax year B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses C5

Net capital losses D5

Farm losses E5

Restricted farm losses F5

Limited partnership losses G5

Subtotal (add amounts C5 to G5) ► H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses I5

Net capital losses J5

Farm losses K5

Restricted farm losses L5

Limited partnership losses M5

Subtotal (add amounts I5 to M5) ► N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 minus amount N5) ► O5

Subtotal (add amounts A5, B5, and O5) P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year R5

All the corporation's reserves deducted in its previous/last tax year S5

The corporation's capital dividend account immediately before the end of its previous/last tax year T5

The corporation's low rate income pool immediately before the end of its previous/last tax year U5

Subtotal (add amounts Q5 to U5) ► V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 minus amount V5) (if negative, enter "0") W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.



Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	.....
Taxable dividends paid in the tax year included in Schedule 3	.....	4,000,000
Total taxable dividends paid in the tax year	.....	100 4,000,000
Total eligible dividends paid in the tax year	.....	150 A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160 54,794,518 B
Excessive eligible dividend designation (line 150 minus line 160)	.....	C
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180 D
Subtotal (amount C minus amount D)		E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190 F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	.....
Taxable dividends paid in the tax year included in Schedule 3	.....
Total taxable dividends paid in the tax year	.....	200
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)	.....	G
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280 H
Subtotal (amount G minus amount H)		I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290 J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Request for Capital Dividend Account Balance Verification

Protected B
when completed

Corporation's name	Business number
Enwin Utilities Ltd.	86712 0586 RC0002

- If you are a private corporation, use this schedule to summarize the components making up your capital dividend account (CDA) balance as of the CDA balance date shown in the field located above Part 1.
- Mail one completed copy of this schedule, separately from any other return, to the Prince Edward Island Tax Centre at 275 Pope Road, Summerside PE C1N 6A2.
- For specific details about calculating the CDA balance, see the applicable legislation in the federal Income Tax Act.
- All legislative references are to the current version of the Act. But since the CDA balance components can span several years, these references may not apply to older components of your CDA balance. In these cases, see the version of the Act that applies to the appropriate year.
- All references to paragraphs in subsection 89(1) of the Act are under the definition of "capital dividend account".
- If you are paying out a capital dividend from your CDA, you must file Form T2054, Election for a Capital Dividend under Subsection 83(2). Attach a copy of this completed form. Note that if a capital dividend paid out under this election exceeds the balance of the CDA at the time the dividend becomes payable, you may have to pay Part III tax on the excessive dividends (see section 184 of the Act).

Year Month Day

Capital dividend account balance as of 2017-12-31

Please check one of the following:

Is this a balance verification request? Yes ☐ No ☐

Is this request related to the requirements of section 89(1) for Form T2054? Yes ☐ No ☒

Part 1 – CDA components (except for eligible capital property) (Note 1 and Note 2)

	1 Tax year-end or relevant date (YYYY/MM/DD) (Note 3)	2 The non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and non-deductible portion of capital losses per paragraph 89(1)(a) (Note 4)	3 Capital dividends received per paragraph 89(1)(b) (Note 5)	4 Net proceeds of a life insurance policy per paragraph 89(1)(d)	5 Non-taxable portion of capital gains from a trust before September 16, 2016 per paragraph 89(1)(f) (Note 6)	6 Capital dividends from a trust per paragraph 89(1)(g) (Note 6)	7 Capital dividends payable per subsection 83(2)
1.	2011-12-31	42,774					
2.	2012-12-31						
3.	2013-12-31						
4.	2014-12-31	-667					
5.	2015-12-31	53,191					
6.	2016-12-31	109,321					
	2017-12-31	74,540					
	Totals	279,159					

If you need more space, use additional sheets.

Note 1. For eligible capital property, see parts 2 and 4.

Note 2. If you were a private corporation under non-resident control that became Canadian controlled as per subsection 89(1.1), or were a tax-exempt corporation that became taxable as per subsection 89(1.2), the CDA balance may be reduced to nil immediately before the dates referred to in those provisions.

Note 3. Include as many tax years as required. Start your list with the tax year that began after the corporation became a private corporation and that ended after 1971. End your list on the CDA balance date shown in the field located above Part 1. If you are completing this schedule before your tax year-end, enter the relevant date of the activity. When Form T2054 has been completed, the program assumes that the relevant date of the activity to indicate in the last field of column 1 in Part 1 is the first of the following dates: the day immediately preceding the date on which the dividend becomes payable, or the first day immediately preceding the date on which any part of the dividend was paid. If this is not the case, enter the correct relevant date of the activity, using an override.

Note 4. Along with applicable losses, include the non-deductible portion of a business investment loss here. Show losses as a negative.

Note 5. May be adjusted by an excessive dividend election under subsection 184(3). Exclude a dividend that subsection 83(2.1) applies to.

Note 6. The amounts that can be added to the CDA of the corporation in a particular tax year, in respect of amounts received by the corporation, from a trust and that are attributable to capital gains realized by the trust or to dividends received and distributed by a trust, can only be determined after the end of the taxation year of the trust in which the capital gains were realized or the dividends were received and distributed by it.

Protected B
when completed

Part 2 – CDA components – Eligible capital property (ECP)

Record in these tables the most common amounts included in the eligible capital property (ECP) component of the CDA. This information is not meant to replace the calculation at line C in Part 4.

Section A: CDA components – List of eligible capital property acquisitions and dispositions (for tax years ending before **February 28, 2000**)

1	2	3	4
Tax year-end (YYYY/MM/DD)	Cost of eligible capital property acquired	Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property	Non-taxable portion of ECP sales
1.			
Total			

If you need more space, use additional sheets.

Section B: CDA components – List of ECP dispositions (for tax years ending after **February 27, 2000** and before **January 1, 2017**)

1	2	3	4
Tax year-end (YYYY/MM/DD)	Amount S from Schedule 10	Appropriate portion of the amount deducted as a bad debt per subsection 20(4.2) or as an allowable capital loss per subsection 20(4.3)	Non-taxable portion of ECP sales (column 2 minus column 3)
1. 2011-12-31			
2. 2012-12-31			
3. 2013-12-31			
4. 2014-12-31			
Total			

If you need more space, use additional sheets.

Protected B
when completed

Part 3 – Additional information

For each capital dividend received, as recorded in column 3 in Part 1, give the name and business number of the corporation that paid the capital dividend and the date the dividend became payable.

	1 Corporation's name	2 Business number	3 Date the dividend became payable (YYYY/MM/DD)
1.			

If you need more space, use additional sheets.

Part 4 – CDA balance

Include the non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and the non-deductible portion of capital losses (total of column 2 in Part 1; if negative enter "0")	279,159	A
Capital dividends received (total of column 3 in Part 1)		B
Eligible capital property for taxation years ending before January 1, 2017 (as calculated per former paragraphs 89(1)(c), (c.1) and (c.2); if negative, enter "0")		C
Life insurance proceeds (total of column 4 in Part 1; if negative, enter "0")		D
Life insurance CDA (Note 7)		E
Non-taxable portion of capital gains from a trust before September 16, 2016 (total of column 5 in Part 1)		F
Capital dividends from a trust (total of column 6 in Part 1)		G
Amounts from predecessor and subsidiary corporations (Note 8)		H
	Subtotal (total of amounts A to H)	279,159 I
Capital dividends that previously became payable (total of column 7 in Part 1)		J
CDA balance (amount I minus amount J)	279,159	K

Note 7. Include the balance of the corporation's life insurance CDA immediately before May 24, 1985, in accordance with paragraph 89(1)(e).

For more information, see paragraph 1.61 and 1.62 of Income Tax Folio S3-F2-C1, Capital Dividends.

- Note 8. – For amalgamations and wind-ups **before** July 14, 1990, calculate the CDA balance of each predecessor or subsidiary corporation separately. Then add these CDA balances to the CDA of the successor or parent corporation. Do not carry forward negative amounts, since these are considered to be nil.
- For amalgamations and wind-ups **after** July 13, 1990, carry over the amounts of all the CDA components of each predecessor or subsidiary corporation into the calculation of the CDA components of the new corporation. As a result, a negative balance in a component of a CDA of a predecessor or subsidiary corporation has to show in the CDA of the successor or parent corporation. Include a separate CDA calculation on a separate schedule for each predecessor or subsidiary corporation.
- For amalgamations, see paragraph 87(2)(z.1). For wind-ups, see paragraph 88(1)(e.2).



Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule if the corporation had a permanent establishment, under section 400 of the federal Income Tax Regulations, in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income *	11,338,278	A
Ontario basic rate of tax for the year	11.5 %	B
Ontario basic income tax (amount A multiplied by amount B **)	1,303,902	C

* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or amount Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

** If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1).

Amount from line 400 of the T2 return	11,055,168	1
Amount from line 405 of the T2 return	11,328,114	2
Amount from line 427 of the T2 return (note)		3
Enter the least of amounts 1, 2 or 3		D
Ontario domestic factor (ODF):	Taxable income for Ontario * Taxable income for all provinces **	11,338,278.00 11,338,278
	=	1.00000
Amount D multiplied by amount E		4
Ontario taxable income (amount A from Part 1)	11,338,278	5
Ontario small business income (lesser of amount 4 or amount 5)		F
Ontario small business deduction rate for the year		
Number of days in the tax year before January 1, 2018	365	x
Number of days in the tax year	365	7 % = 7.00000 %
Number of days in the tax year after December 31, 2017		x
Number of days in the tax year	365	8 % = %
OSBD rate for the year (rate G1 plus rate G2)	7.00000 %	G
Ontario small business deduction (amount F multiplied by rate G)		H

Enter amount H on line 402 of Schedule 5.

* Enter amount A from Part 1.

** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Note: On November 15, 2018, the Government of Ontario announced, in Bill 57, that the reduction in the business limit relating to the amount of passive investment income for taxation years starting after December 31, 2018, will not be applied when calculating the Ontario small business deduction. As a result, the calculation on line 3 does not take the amount on line E2 of Schedule 200 (Jump Code: J) into account.

Enter amount I at amount K in Part 4 of this schedule or at amount B in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 2H from Schedule 17 J

Ontario adjusted small business income (amount I) K

Subtotal (amount J **minus** amount K, if negative, enter "0") _____ L

Amount L **multiplied** by amount G M

Ontario domestic factor (amount E)	1.00000	N
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Ontario credit union tax reduction (amount M multiplied by amount N) 0

Enter amount O on line 410 of Schedule 5.



Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule to:
 - calculate an Ontario research and development tax credit (ORDTC);
 - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
 - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
 - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
 - add an ORDTC transferred after an amalgamation or windup; or
 - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
 - 4.5% for tax years that end before June 1, 2016;
 - 3.5% for tax years that start after May 31, 2016; and
 - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	471,883	A
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B
Net eligible expenditures for the tax year (amount A minus amount B) (if negative, enter "0")		471,883	C
Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		471,883	E
Eligible expenditures the corporation transferred to another corporation	115		F
Ontario SR&ED expenditure pool (amount E minus amount F) (if negative, enter "0")	120	471,883	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 210 x 4.5 % = 215 H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016	240	152	x	4.5 %	=	1.8689 %	1
Number of days in the tax year	241	366					
Number of days in the tax year after May 31, 2016	242	214	x	3.5 %	=	2.0464 %	2
Number of days in the tax year	243	366					

Subtotal (percentage 1 plus percentage 2) 3.9153 % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 211 x percentage 3 3.9153 % = 216 I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016 **212** x 3.5 % = **217** J

Repayments made in the tax year
of government or non-government
assistance or contract payments
that reduced eligible expenditures
for first term or second term
shared-use equipment
acquired before 2014 **220** x 1 / 4 = x 4.5 % = **225** K

Eligible repayments (total of amounts H to K) **229** L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1) x 4.5 % = **200** M

ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member)
for a fiscal period that ends in the corporation's tax year * **205** N

Eligible repayments (amount L in Part 2) O

Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O) **230** P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

Number of days
in the tax year
before June 1, 2016 x 4.5 % = % 4

Number of days
in the tax year

Number of days
in the tax year
after May 31, 2016 x 3.5 % = % 5

Number of days
in the tax year

Subtotal (percentage 4 plus percentage 5) % 6

Ontario SR&ED expenditure pool (amount G in Part 1) x percentage 6 % = **201** Q

ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member)
for a fiscal period that ends in the corporation's tax year * **206** R

Eligible repayments (amount L in Part 2) S

Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016
(total of amounts Q to S) **231** T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1) 471,883 x 3.5 % = **202** 16,516 U

ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member)
for a fiscal period that ends in the corporation's tax year * **207** V

Eligible repayments (amount L in Part 2) W

The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W) **232** 16,516 X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year Y

ORDTC expired after 20 tax years **300** Z

ORDTC at the beginning of the tax year (amount Y **minus** amount Z) **305** AA

ORDTC transferred to the corporation on amalgamation or windup **310** BB

Current part of ORDTC 16,516 CC
(amount P, T or X in Part 3 whichever applies)

Are you waiving all or part of the
current part of the ORDTC? **315** Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of
the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC **320** DD

Subtotal (amount CC **minus** amount DD) 16,516 ► 16,516 EE

ORDTC available for deduction (total of amounts AA, BB and EE) 16,516 ► 16,516 FF

ORDTC claimed ** 16,516 GG
(Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)

ORDTC carried back to previous tax years (from Part 5) HH

Subtotal (amount GG **plus** amount HH) 16,516 ► 16,516 II

ORDTC balance at the end of the tax year (amount FF **minus** amount II) **325** JJ

** This amount cannot be more than the lesser of the following amounts:

- ORDTC available for deduction (amount FF); or
- Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year	Month	Day		
1 st previous tax year	2016	12	31	..... Credit to be applied	901
2 nd previous tax year	2015	12	31	..... Credit to be applied	902
3 rd previous tax year	2014	12	31	..... Credit to be applied	903

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first)			Credit available	Tax year of origin (earliest tax year first)			Credit available
Year	Month	Day		Year	Month	Day	
1999	12	12		2007	12	31	
1999	12	31		2008	12	31	
2000	12	31		2009	12	31	
2001	09	30		2010	12	31	
2001	12	31		2011	12	31	
2002	12	31		2012	12	31	
2003	12	31		2013	12	31	
2004	12	31		2014	12	31	
2005	12	31		2015	12	31	
2006	12	31		2016	12	31	
				2017	12	31	
			Current tax year				

Total (equals line 325 in Part 4) _____

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate *** of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part if you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			
Total of column MM (enter at amount WW in Part 8)			_____ NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

OO	PP	QQ
Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act	Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition	Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act)
720	730	740
1.		

RR	SS	TT
Amount determined by the formula (OO x PP) - QQ (using the columns above)	Federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column RR or SS, whichever is less
	750	
1.		

Total of column TT (enter at amount XX in Part 8) _____ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) **760** VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) XX

Amount WW **plus** amount XX x 23.56 % = YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation.**

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Enter the breakdown between current and capital expenditures

	Current Expenditures	Capital Expenditures
Total expenditures for SR&ED	400,814	
Add		
• payment of prior years' unpaid expenses (other than salary or wages) +		+
• prescribed proxy amount (Enter "0" if you use the traditional method) +	110,746	
• expenditures on shared-use equipment		+
• other additions +		+
Subtotal =	511,560	=
Less		
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end -		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier -		
• 20% of contract expenditures for SR&ED performed on your behalf -	39,677	
• prescribed expenditures not allowed by regulations -		-
• other deductions -		-
• non-arm's length transactions		
- expenditures for non-arm's length SR&ED contracts -		
- purchases (limited to costs) of goods and services from non-arm's length suppliers -		-
Subtotal =	471,883 I	= II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)		= 471,883 III

Enter amount III on line 100 of Schedule 508.



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - 4) a congregation or business agency to which section 143 of the federal Act applies;
 - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	332,876,966
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	184,022,653
Total assets (total of lines 112 to 116)		516,899,619
Total revenue of the corporation for the tax year **	142	329,551,003
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	10,452,860
Total revenue (total of lines 142 to 146)		340,003,863

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *		210	3,340,035
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	3,740,382	
Provision for deferred income taxes (debits)/cost of future income taxes	222		
Equity losses from corporations	224		
Financial statement loss from partnerships and joint ventures	226		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230		
Other additions (see note below):			
Share of adjusted net income of partnerships and joint ventures **	228		
Total patronage dividends received, not already included in net income/loss	232		
281	282		
283	284		
	Subtotal	3,740,382	3,740,382 A
Deduct (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	320		
Provision for deferred income taxes (credits)/benefit of future income taxes	322	339,542	
Equity income from corporations	324		
Financial statement income from partnerships and joint ventures	326		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330	14,161	
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332		
Gain on donation of listed security or ecological gift	340		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348		
Other deductions (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	328		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338		
381	382		
383	384		
385	386		
387	388		
389	390		
	Subtotal	353,703	353,703 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)		490	6,726,714

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* Rules for net income/loss

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.
- ** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- *** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- **** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- ***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) **515** 6,726,714

Deduct:

CMT loss available (amount R from Part 7)

Minus: Adjustment for an acquisition of control * **518**

Adjusted CMT loss available **C**

Net income subject to CMT calculation (if negative, enter "0") **520** 6,726,714

Amount from line 520 6,726,714 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ x 4 % = 1
365

Amount from line 520 6,726,714 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ x 2.7 % = 2
365

Subtotal (amount 1 **plus** amount 2) 181,621 **3**

Gross CMT: amount on line 3 above x OAF ** **540** 181,621

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") 181,621 **D**

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 1,287,386

Net CMT payable (if negative, enter "0") **E**

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** Calculation of the Ontario allocation factor (OAF):

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** = Taxable income *****

Ontario allocation factor 1.00000 **F**

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	.....	G
Deduct:		
CMT credit expired *	..... 600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	.....	620
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	..... 650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)	.....	H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)	.....	I
	Subtotal (amount H minus amount I)	J
Add:		
Net CMT payable (amount E from Part 3)	.....
SAT payable (amount O from Part 6 of Schedule 512)	.....
	Subtotal	K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	..... 670	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
 – do not enter an amount on line G or line 600;
 – for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.
 For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)	.....	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	..... 1,287,386	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	..... 181,621	2
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	.....	3
Gross SAT (line 460 from Part 6 of Schedule 512)	.....	4
The greater of amounts 3 and 4	.....	5
	Deduct: line 2 or line 5, whichever applies:	6
	Subtotal (if negative, enter "0")	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	..... 1,287,386	
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	..... 132,952	
	Subtotal (if negative, enter "0")	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)	.....	P
Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.		
Is the corporation claiming a CMT credit earned before an acquisition of control?	..... 675	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If you answered yes to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.		

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) S

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Enwin Energy Ltd.	88246 2526 RC0001	7,117,199	1,988,049
2	Windsor Canada Utilities Ltd.	86712 9181 RC0001	176,905,354	8,464,811
3	Corporation of the City of Windsor	NR	0	0
4	Enwin Financial Services Ltd.	83435 7147 RC0001	100	0
			450	550
		Total	184,022,653	10,452,860

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.



CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) Enwin Utilities Ltd.			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2007-01-01	120 Ontario Corporation No. 001710758	

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable) Byron Thompson			
210 Street number 787	220 Street name/Rural route/Lot and Concession number Ouellette Avenue	230 Suite number	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) Windsor	260 Province/state ON	270 Country CA	280 Postal/zip code N9A 4J4

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

300 ☐ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Thompson	451 Byron
Last name	First name
454 _____ Middle name(s)	

460 ☐ 2 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	<input type="checkbox"/>	Please enter one of the following numbers in this box:	1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:
510	Care of (if applicable)		
520	Street number	530	Street name/Rural route/Lot and Concession number
		540	Suite number
550	Additional address information if applicable (line 530 must be completed first)		
560	Municipality (e.g., city, town)	570	Province/state
		580	Country
		590	Postal/zip code

Part 6 – Language of preference

600	<input type="checkbox"/>	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is \$1,000 for each qualifying work placement ending before March 27, 2009, and \$3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
 - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
 - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
 - the terms of the WP require the student to engage in productive work;
 - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
 - the student is paid for the work performed in the WP;
 - the corporation is required to supervise and evaluate the job performance of the student in the WP;
 - the institution monitors the student's performance in the WP; and
 - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number including area code
Byron Thompson	(519) 255-2869
Is the claim filed for a CETC earned through a partnership? 150 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If you answered yes to the question at line 150, what is the name of the partnership? 160	
Enter the percentage of the partnership's CETC allocated to the corporation 170 %	
<p>* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.</p>	

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year?	200 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If you answered no to question 1 or yes to question 2, then the corporation is not eligible for the CETC.	

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 27,302,708

For eligible expenditures incurred before March 27, 2009:

- If line 300 is \$400,000 or less, enter 15% on line 310.
- If line 300 is \$600,000 or more, enter 10% on line 310.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

Eligible percentage for determining the eligible amount **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is \$400,000 or less, enter 30% on line 312.
- If line 300 is \$600,000 or more, enter 25% on line 312.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

Eligible percentage for determining the eligible amount **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

A Name of university, college, or other eligible educational institution 400		B Name of qualifying co-operative education program 405	
1.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
2.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
3.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
4.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
5.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
6.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
7.	UNIVERSITY OF WINDSOR	BAS - ELECTRICAL ENGINEERING	
8.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
9.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
10.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
11.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
12.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
13.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
14.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
15.	UNIVERSITY OF WINDSOR	BCOMM - BUSINESS ADMINISTRATION	
16.	UNIVERSITY OF WINDSOR	BCS(H) - COMPUTER SCIENCE	
17.	UNIVERSITY OF WINDSOR	MSC - COMPUTER SCIENCE	
18.			

C Name of student		D Start date of WP (see note 1 below)	E End date of WP (see note 2 below)
410		430	435
1.		2017-01-01	2017-04-30
2.		2017-01-01	2017-04-30
3.		2017-05-01	2017-08-31
4.		2017-05-01	2017-08-31
5.		2017-09-01	2017-12-31
6.		2017-09-01	2017-12-31
7.		2017-09-01	2017-12-31
8.		2017-01-01	2017-04-30
9.		2017-09-01	2017-12-31
10.		2017-01-01	2017-04-30
11.		2017-09-01	2017-12-31
12.		2017-05-01	2017-08-31
13.		2017-05-01	2017-08-31
14.		2017-05-01	2017-08-31
15.		2017-09-01	2017-12-31
16.		2017-05-01	2017-08-31
17.		2017-01-01	2017-04-30
18.			
Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.			
Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.			

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	12,122	25.000 %		17
2.		10.000 %	12,960	25.000 %		17
3.		10.000 %	13,032	25.000 %		17
4.		10.000 %	14,516	25.000 %		17
5.		10.000 %	11,439	25.000 %		17
6.		10.000 %	6,371	25.000 %		17
7.		10.000 %	11,150	25.000 %		17
8.		10.000 %	12,174	25.000 %		17
9.		10.000 %	12,174	25.000 %		17
10.		10.000 %	12,571	25.000 %		17
11.		10.000 %	13,686	25.000 %		17
12.		10.000 %	11,656	25.000 %		17
13.		10.000 %	11,874	25.000 %		17
14.		10.000 %	11,946	25.000 %		17
15.		10.000 %	12,055	25.000 %		17
16.		10.000 %	11,801	25.000 %		17
17.		10.000 %	14,631	25.000 %		17
18.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures multiplied by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	3,031	3,000	3,000		3,000
2.	3,240	3,000	3,000		3,000
3.	3,258	3,000	3,000		3,000
4.	3,629	3,000	3,000		3,000
5.	2,860	3,000	2,860		2,860
6.	1,593	3,000	1,593		1,593
7.	2,788	3,000	2,788		2,788
8.	3,044	3,000	3,000		3,000
9.	3,044	3,000	3,000		3,000
10.	3,143	3,000	3,000		3,000
11.	3,422	3,000	3,000		3,000
12.	2,914	3,000	2,914		2,914
13.	2,969	3,000	2,969		2,969
14.	2,987	3,000	2,987		2,987
15.	3,014	3,000	3,000		3,000
16.	2,950	3,000	2,950		2,950
17.	3,658	3,000	3,000		3,000
18.					
Ontario co-operative education tax credit (total of amounts in column K)					500
					49,061 L

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L _____ x percentage on line 170 in Part 1 _____ % = **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is \$1,000.

If the WP begins after March 26, 2009, the maximum credit amount for the WP is \$3,000.

If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009,

and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received.

Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Enwin Utilities Ltd.	86712 0586 RC0002	2017-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
 - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
 - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
 - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
 - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
 - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
 - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009*, or the *Apprenticeship and Certification Act, 1998*, or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number
Byron Thompson	(519) 255-2869
Is the claim filed for an ATTC earned through a partnership? *	150 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If you answered yes to the question at line 150, what is the name of the partnership?	160
Enter the percentage of the partnership's ATTC allocated to the corporation	170 %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year?	200 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentageCorporation's salaries and wages paid in the previous tax year * **300** 27,302,708**For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:**

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% on line 312.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[10\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **312** 35.000 %**For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:**

- If line 300 is \$400,000 or less, enter 30% on line 314.
- If line 300 is \$600,000 or more, enter 25% on line 314.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 314 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

A Trade code		B Apprenticeship program/trade name		C Name of apprentice	
400		405		410	
1.	434a	Powerline Technician			
2.	434a	Powerline Technician			
3.	434a	Powerline Technician			
4.	434a	Powerline Technician			
5.	434a	Powerline Technician			
6.	434a	Powerline Technician			
7.	434a	Powerline Technician			
8.	434a	Powerline Technician			
9.	434a	Powerline Technician			
10.	434a	Powerline Technician			
11.	434a	Powerline Technician			
12.	434a	Powerline Technician			
13.					

D Original contract or training agreement number		E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1)		F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2)		G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3)	
420		425		430		435	
1.	CC7783	2014-03-05		2017-01-01		2017-12-31	
2.	CC7782	2014-03-05		2017-01-01		2017-12-31	
3.	CD2832	2014-11-05		2017-01-01		2017-12-31	
4.	CD2836	2014-11-05		2017-01-01		2017-12-31	
5.	CD2834	2014-11-05		2017-01-01		2017-12-31	
6.	CD2835	2014-11-05		2017-01-01		2017-12-31	
7.	CA4154	2016-06-01		2017-01-01		2017-12-31	
8.	CA4153	2016-06-01		2017-01-01		2017-12-31	

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1) 425	F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2) 430	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3) 435
9.	CA4152	2016-06-02	2017-01-01	2017-12-31
10.	SYS035456	2017-05-23	2017-05-23	2017-12-31
11.	SYS035454	2017-05-23	2017-05-23	2017-12-31
12.	SYS036386	2017-06-12	2017-06-12	2017-12-31
13.				

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

	H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1)	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1)	I Maximum credit amount for the tax year (see note 2)
	442	443	445
1.	365		10,000
2.	365		10,000
3.	365		10,000
4.	365		10,000
5.	365		10,000
6.	365		10,000
7.		365	5,000
8.		365	5,000
9.		365	5,000
10.		223	3,055
11.		223	3,055
12.		203	2,781
13.			

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = $(\$10,000 \times H1/365^*)$ or $(\$5,000 \times H2/365^*)$, whichever applies.

* 366 days, if the tax year includes February 29

	J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3)	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3)	K Eligible expenditures multiplied by specified percentage (see note 4)
	452	453	460
1.	73,968		25,889
2.	79,456		27,810
3.	78,474		27,466
4.	79,585		27,855
5.	75,565		26,448
6.	78,370		27,430
7.		77,409	19,352
8.		77,450	19,363
9.		72,964	18,241
10.		27,122	6,781
11.		26,994	6,749
12.		36,391	9,098
13.			

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.

For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:

Column K = $(J1 \times \text{line 312})$ or $(J2 \times \text{line 314})$, whichever applies.

	L ATTC on eligible expenditures (lesser of columns I and K)	M ATTC on repayment of government assistance (see note 5)	N ATTC for each apprentice (column L or M, whichever applies)
	470	480	490
1.	10,000		10,000
2.	10,000		10,000
3.	10,000		10,000
4.	10,000		10,000
5.	10,000		10,000
6.	10,000		10,000
7.	5,000		5,000
8.	5,000		5,000
9.	5,000		5,000
10.	3,055		3,055
11.	3,055		3,055
12.	2,781		2,781
13.			

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 83,891 **O**

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ x percentage on line 170 in Part 1 _____ % = _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete a **separate entry** for each repayment of government assistance.

See the privacy notice on your return.

Corporate Taxpayer Summary

Corporate information

Corporation's name	Enwin Utilities Ltd.															
Taxation Year	2017-01-01 to 2017-12-31															
Jurisdiction	Ontario															
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Corporation is associated	Y															
Corporation is related	Y															
Number of associated corporations	4															
Type of corporation	Canadian-Controlled Private Corporation															
Total amount due (refund) federal and provincial*	-815,905															

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	11,389,754															
Taxable income	11,338,278															
Donations	37,315															
Calculation of income from an active business carried on in Canada	11,055,168															
Dividends paid	4,000,000															
Dividends paid – Regular	4,000,000															
Dividends paid – Eligible																
Balance of the low rate income pool at the end of the previous year																
Balance of the low rate income pool at the end of the year																
Balance of the general rate income pool at the end of the previous year	46,847,509															
Balance of the general rate income pool at the end of the year	54,794,518															
Part I tax (base amount)	4,308,546															
Credits against part I tax	Summary of tax															
Small business deduction	1,693,425															
M&P deduction	5,428															
Foreign tax credit	2,846															
Investment tax credits	80,305															
Abatement/Other*	2,566,149															
	1,154,434															
	102,450															
	3,566,742															
	Other*															
	Balance due/refund (–)															
	-815,905															

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances	
Capital dividend amount	279,159
Financial statement reserve	67,749,576
Other reserves	1,038,077

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	11,389,754		
Taxable income	11,338,278		
% Allocation	100.00		
Attributed taxable income	11,338,278		
Tax payable before deduction*	1,303,902		
Deductions and credits	16,516		
Net tax payable	1,287,386		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	1,287,386		
Instalments and refundable credits	132,952		
Balance due/Refund (-)	1,154,434		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
Enwin Utilities Ltd.	300,400,859	300,400,859	238,177,539	238,177,539
Enwin Energy Ltd.	6,692,910	6,692,910	6,819,422	6,819,422
Windsor Canada Utilities Ltd.	88,541,124	88,541,124	73,905,354	73,905,354
Corporation of the City of Windsor				
Enwin Financial Services Ltd.	100	100	100	100
Total	395,634,993	395,634,993	318,902,415	318,902,415

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the \$1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
Total				

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Enwin Utilities Ltd.	296,596,856
Enwin Energy Ltd.	
Windsor Canada Utilities Ltd.	
Corporation of the City of Windsor	
Enwin Financial Services Ltd.	
Total	296,596,856

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Net income	11,389,754	17,197,900	10,882,417	12,875,362	16,739,060
Taxable income	11,338,278	17,181,266	10,855,629	12,779,088	16,732,860
Active business income	11,055,168	16,811,768	10,765,990	12,874,131	16,739,060
Dividends paid	4,000,000	4,000,000	3,000,000	4,750,000	3,000,000
Dividends paid – Regular	4,000,000	4,000,000	3,000,000	4,750,000	3,000,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	46,847,509	34,737,974	26,997,986	17,797,035	5,749,376
GRIP – end of the year	54,794,518	46,847,509	34,737,974	26,997,986	17,797,035
Donations	37,315	6,725	21,886	95,754	6,200
Balance due/refund (-)	-815,905	-175,283	-688,387	-1,094,700	-224,944
Line 996 – Amended tax return	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Taxable income before loss carrybacks	N/A	N/A	10,855,629	12,779,088	16,732,860
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	10,855,629	12,779,088	16,732,860
Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)					
Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Adjusted taxable income before current year loss carrybacks*	N/A	17,181,266	10,855,629	12,779,088	N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	17,181,266	10,855,629	12,779,088	N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A	4,236	519	
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A	4,236	519	

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A	9,908	4,236	519	N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	9,908	4,236	519	N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Part I	1,693,425	2,572,128	1,482,867	1,821,113	2,509,929
Part IV	5,428	3,798	1,412	173	
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Credits against part I tax

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Small business deduction					
M&P deduction					
Foreign tax credit	2,846	2,179	768	95	
Investment tax credit	80,305	91,921	166,642	95,794	
Abatement/other*	2,566,149	3,902,783	2,482,297	2,939,098	3,848,558

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends	102,450	118,208	30,903	334	
Instalments	3,566,742	4,454,099	3,221,000	4,291,248	4,516,192
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Ontario

Taxation year end	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Net income	11,389,754	17,197,900	10,882,417	12,875,362	16,739,060
Taxable income	11,338,278	17,181,266	10,855,629	12,779,088	16,732,860
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	11,338,278	17,181,266	10,855,629	12,779,088	16,732,860
Surtax					
Income tax payable before deduction	1,303,902	1,975,846	1,248,397	1,469,595	1,924,279
Income tax deductions /credits	16,516	20,624	46,694	27,500	43,002
Net income tax payable	1,287,386	1,955,222	1,201,703	1,442,095	1,881,277
Taxable capital					
Capital tax payable					
Total tax payable*	1,287,386	1,955,222	1,201,703	1,442,095	1,881,277
Instalments and refundable credits	132,952	134,124	122,466	66,499	99,958
Balance due/refund**	1,154,434	1,821,098	1,079,237	1,375,596	1,781,319

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Attached Notes – Summary

<input type="checkbox"/>	Name of the cell	FDCFF.unusedTtwcfff32	Form	
Smart Meter Additions not Capitalized per book \$3,341,356 Smart Meter Loss on Disposal Deferred per book \$977,947				
=				
Keep this note when rolling forward the file <input checked="" type="checkbox"/>				

<input type="checkbox"/>	Name of the cell	Corporation's salaries and wages paid in the previous tax year	Form	ON Sch. 552 - Apprenticeship training tax credit
SS0 Cell L488				
jsassine - 2018-02-24				
Keep this note when rolling forward the file <input type="checkbox"/>				

<input type="checkbox"/>	Name of the cell	GIFI code 3740 – Other items affecting retained earnings	Form	Sch. 3849 - Retained earnings/deficit
Restatement of prior years - see note 24 to FS.				
ecoletti - 2018-06-01				
Keep this note when rolling forward the file <input type="checkbox"/>				

<input type="checkbox"/>	Name of the cell	Other property income	Form	Sch. 7 - Aggregate investment income and active business income
SS16				
ecoletti - 2018-06-08				
Keep this note when rolling forward the file <input type="checkbox"/>				

<input type="checkbox"/>	Name of the cell	Part 8 – Capital gains dividend received in the year	Form	Sch. 6 - Summary of dispositions of capital property
SS16				
ecoletti - 2018-06-08				
Keep this note when rolling forward the file <input type="checkbox"/>				

☐ Name of the cell Line 395 – Amount

Form Sch. 1 - Net income (loss) for income tax purposes

SS16

ecoletti - 2018-06-08

Keep this note when rolling forward the file ☐

☐ Name of the cell Taxable dividends deductible from taxable income under section

Form Sch. 3 - Dividends received, taxable dividends paid, and part IV

SS16

ecoletti - 2018-06-08

Keep this note when rolling forward the file ☐

☐ Name of the cell Amount of credit

Form T7B-1 - Schedule of instalment remittances

Refund from Original Filing

jsassine - 2018-11-19

Keep this note when rolling forward the file ☐



ATTACHMENT 4 - S

Service Life Comparison

Board Appendix 2-BB

Appendix 2-BB
Service Life Comparison
Table F-1 from Kinetrics Report¹

Parent*	#	Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
		Category	Component	Type	MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall		35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
			Cross Arm	Wood Steel	20	40	55								
					30	70	95								
	2	Fully Dressed Concrete Poles	Overall		50	60	80	1830	Poles, Towers and Fixtures	50	2%	50	2%	No	No
			Cross Arm	Wood Steel	20	40	55								
					30	70	95								
	3	Fully Dressed Steel Poles	Overall		60	60	80								
			Cross Arm	Wood Steel	20	40	55								
					30	70	95								
	4	Fully Dressed Composite Poles	Overall		-	-	-	1830	Poles, Towers and Fixtures	80	1%	80	1%	N/A	N/A
	5	OH Line Switch			30	45	55	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
TS & MS	12	Power Transformers	Overall		30	45	60	1815	Trans. Station Equip-Norm Pri. > 50 kV	45	2%	45	2%	No	No
			Bushing		10	20	30	1820	Dist. Station Equip-Norm Pri.< 50 kV	45	2%	45	2%	No	No
			Tap Changer		20	30	60	1850	Line Transformers	40	3%	40	3%	No	No
	13	Station Service Transformer			30	45	55								
	14	Station Grounding Transformer			30	40	40								
	15	Station DC System	Overall		10	20	30	1815	Trans. Station Equip-Norm Pri. > 50 kV	8	13%	8	13%	Yes	No
			Battery Bank		10	15	15	1820	Dist. Station Equip-Norm Pri.< 50 kV	8	13%	8	13%	Yes	No
			Charger		20	20	30								
	16	Station Metal Clad Switchgear	Overall		30	40	60								
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
UG	18	Station Switch			30	50	60								
	19	Electromechanical Relays			25	35	50								
	20	Solid State Relays			10	30	45								
	21	Digital & Numeric Relays			15	20	20	1815	Trans. Station Equip-Norm Pri. > 50 kV	20	5%	20	5%	No	No
	22	Rigid Busbars			30	55	60								
	23	Steel Structure			35	50	90								
	24	Primary Paper Insulated Lead Covered (PILC) Cables			60	65	75								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			20	25	30								
	27	Primary Non-TR XLPE Cables in Duct			20	25	30								
	29	Primary TR XLPE Cables in Duct			35	40	55	1840	Underground Conduit	40	3%	40	3%	No	No
UG	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40	1855	Services	35	3%	35	3%	No	No
	32	Secondary Cables in Duct			35	40	60								
	33	Network Transformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	Line Transformers	40	3%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45	1850	Line Transformers	35	3%	35	3%	No	No
	36	UG Foundation			35	55	70								
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50	1840	Underground Conduit	30	3%	30	3%	No	No
S	39	Pad-Mounted Switchgear			20	30	45								
	40	Ducts			30	50	85								
	41	Concrete Encased Duct Banks			35	55	80								
	42	Cable Chambers			50	60	80	1840	Underground Conduit	50	2%	50	2%	No	No
	43	Remote SCADA			15	20	30	1945	Measurement and Testing Equipment	15	7%	15	7%	No	No

Table F-2 from Kinetrics Report¹

#	Asset Details			Useful Life Range			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
	Category	Component	Type						Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment			5	15		1915	Office Furniture and Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets		5	15		1930	Transportation Equipment - Class 6	7	14%	7	14%	No	No
							1930	Transportation Equipment - Class 8	10	10%	10	10%	No	No
							1930	Transportation Equipment - Backhoes	6	17%	6	17%	No	No
							1930	Transportation Equipment - Class 7	9	11%	9	11%	No	No
							1930	Transportation Equipment - Class 9	15	7%	15	7%	No	No
3	Administrative Buildings	Vans		5	10		1930	Transportation Equipment - Class 4 & 5	7	14%	7	14%	No	No
				50	75		1908	Buildings and Fixtures	50	2%	50	2%	No	No
							1910	Leasehold Improvements	20	5%	20	5%	No	No
4	Leasehold Improvements			Lease dependent			1910	Leasehold Improvements	10	10%	10	10%	No	No
5	Station Buildings	Station Buildings		50	75		1808	Buildings and Fixtures	50	2%	50	2%	No	No
		Parking		25	30									
		Fence		25	60									
		Roof		20	30		1808	Buildings and Fixtures	20	5%	20	5%	No	No
6	Computer Equipment	Hardware		3	5		1920	Computer Hardware - 5 years	5	20%	5	20%	No	No
		Software		2	5		1920	Computer Hardware - 10 year	10	10%	10	10%	No	Yes
		Power Operated		5	10		1611	Computer Software - 5 years	5	20%	5	20%	No	No
		Stores		5	10		1611	Computer Software - 10 years	10	10%	10	10%	No	Yes
7	Equipment	Tools, Shop, Garage Equipment		5	10		1930	Transportation Equipment	10	10%	10	10%	No	No
		Measurement & Testing Equipment		5	10		1940	Tools, Shop and Garage Equipment	10	10%	10	10%	No	No
							1960	Miscellaneous Equipment	10	10%	10	10%	No	No
							1945	Measurement and Testing Equipment	10	10%	10	10%	No	No
8	Communication	Towers		60	70									
9	Residential Energy Meters	Wireless		2	10		1955	Communication Equipment	8	13%	8	13%	No	No
				25	35		1860	Meters	25	4%	25	4%	No	No
				25	35		1860	Meters	25	4%	25	4%	No	No
				15	30		1860	Meters	15	7%	15	7%	No	No
				35	50									
				5	15		1860	Meters	15	7%	15	7%	No	No
				10	15									
				10	15									
				15	20									
				15	20									

* TS & MS = Transformer and Municipal Stations UG = Underground Systems S = Monitoring and Control Systems

Note 1: Tables F-1 and F-2 above are to be used as a reference in order to complete columns J, K, L and N.
See pages 17-19 of Kinetrics Report



ATTACHMENT 4 - T

2009 Actual (CGAAP) - Depreciation and Amortization Expenses

Board Appendix 2-CA

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2009	CGAAP

Account	Description	Book Values							Service Lives				Depreciation Expense				Depreciation Expense per Appendix 2-Ba Fixed Assets, Column J	Variance ⁴	
		Opening Net Book Value of Existing Assets	Less Fully Depreciated ¹	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ¹	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Existing Assets ³	Depreciation Rate Assets Acquired Before Policy Change ⁴	Life of New Assets Acquired Before Policy Change ⁵	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁶	Total Current Year Depreciation Expense			
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = oh	m = fj	n = g*0.5j	o = l+m+n			p	q = p-o
1611	Computer Software (Formerly known as Account 1920)	\$ 1,395,105	\$ 348,043	\$ 1,047,062	\$ -	\$ -	\$ -	\$ 26,205	3.53	28.33%	5.00	20.00%	\$ 296,618	\$ -	\$ 2,626	\$ 299,239	\$ 364,156	\$ 64,917	
1612	Land Rights (Formerly known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 103,435	\$ 2,915	\$ 100,519	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings	\$ 48,290	\$ 3,993	\$ 45,296	\$ -	\$ -	\$ -	\$ -	8.50	11.76%	50.00	2.00%	\$ 5,329	\$ -	\$ -	\$ 5,329	\$ 6,934	\$ 1,605	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Transformer Station Equipment <50 kV	\$ 24,627,571	\$ 273,646	\$ 24,353,925	\$ -	\$ -	\$ -	\$ 477,099	30.33	3.30%	40.00	2.50%	\$ 862,965	\$ -	\$ 5,964	\$ 868,929	\$ 818,269	\$ 5,660	
1920	Distribution Station Equipment <50 kV	\$ 1,294,393	\$ 2,560	\$ 1,291,833	\$ -	\$ -	\$ -	\$ -	17.86	5.60%	25.00	4.00%	\$ 72,331	\$ -	\$ -	\$ 72,331	\$ 81,120	\$ 8,787	
1625	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures	\$ 50,669,907	\$ 15,514	\$ 50,654,393	\$ -	\$ -	\$ -	\$ 3,712,103	16.52	6.05%	25.00	4.00%	\$ 3,066,247	\$ -	\$ 74,242	\$ 3,140,489	\$ 3,381,411	\$ 240,922	
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1840	Underground Conduit	\$ 40,949,795	\$ 27,567	\$ 40,922,228	\$ -	\$ -	\$ -	\$ 1,319,183	13.98	7.15%	25.00	4.00%	\$ 2,927,198	\$ -	\$ 26,384	\$ 2,953,582	\$ 3,165,847	\$ 212,265	
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1850	Line Transformers	\$ 32,876,720	\$ 380,642	\$ 33,257,361	\$ -	\$ -	\$ -	\$ 2,288,695	14.91	6.71%	25.00	4.00%	\$ 2,230,541	\$ -	\$ 45,774	\$ 2,276,315	\$ 2,638,467	\$ 362,152	
1855	Services (Overhead & Underground)	\$ 834,779	\$ -	\$ 834,779	\$ -	\$ -	\$ -	\$ 1,169,832	24.49	4.08%	25.00	4.00%	\$ 34,087	\$ -	\$ 23,397	\$ 57,483	\$ 51,386	\$ 6,097	
1860	Meters	\$ 5,121,128	\$ 39,784	\$ 5,160,912	\$ -	\$ -	\$ -	\$ 208,940	14.27	7.01%	25.00	4.00%	\$ 361,662	\$ -	\$ 4,179	\$ 365,840	\$ 404,743	\$ 38,900	
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ 17,645,977	\$ 6,730	\$ 17,652,706	\$ -	\$ -	\$ -	\$ 114,614	41.08	2.43%	50.00	2.00%	\$ 429,715	\$ -	\$ 1,146	\$ 430,861	\$ 446,383	\$ 15,522	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 419,201	\$ 18,688	\$ 400,513	\$ -	\$ -	\$ -	\$ 91,672	4.96	20.16%	10.00	10.00%	\$ 80,748	\$ -	\$ 4,584	\$ 85,332	\$ 90,676	\$ 5,334	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	5.00	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip. -Hardware(Post Mar. 2008)	\$ 170,552	\$ 83,072	\$ 87,480	\$ -	\$ -	\$ -	\$ -	1.62	61.73%	5.00	20.00%	\$ 54,000	\$ -	\$ -	\$ 54,000	\$ 71,206	\$ 17,206	
1920	Computer Equip. -Hardware(Post Mar. 1907)	\$ 208,992	\$ 265,866	\$ 474,858	\$ -	\$ -	\$ -	\$ 424,464	4.37	22.88%	5.00	20.00%	\$ 108,663	\$ -	\$ 42,446	\$ 151,110	\$ 182,925	\$ 31,815	
1930	Transportation Equipment (Class 4.5,6,7)	\$ 7,246	\$ 6,495	\$ 751	\$ -	\$ -	\$ -	\$ -	0.26	384.62%	5.00	20.00%	\$ 2,887	\$ -	\$ -	\$ 2,887	\$ 6,929	\$ 4,042	
1930	Transportation Equipment (Class 9)	\$ 229,210	\$ -	\$ 229,210	\$ -	\$ -	\$ -	\$ 36,070	6.65	15.04%	8.00	12.50%	\$ 34,468	\$ -	\$ 2,254	\$ 36,722	\$ 35,952	\$ 770	
1930	Transportation Equipment (Specialty Equip)	\$ 605,336	\$ 507	\$ 604,829	\$ -	\$ -	\$ -	\$ 465,783	6.42	15.58%	30.00	10.00%	\$ 94,210	\$ -	\$ 7,763	\$ 101,973	\$ 101,197	\$ 776	
1935	Stoves Equipment	\$ 5,401	\$ 506	\$ 4,894	\$ -	\$ -	\$ -	\$ -	5.20	19.23%	10.00	10.00%	\$ 941	\$ -	\$ -	\$ 941	\$ 1,039	\$ 19	
1940	Tools, Shop & Garage Equipment	\$ 104,364	\$ 578	\$ 103,786	\$ -	\$ -	\$ -	\$ 10,975	3.68	27.32%	10.00	10.00%	\$ 28,357	\$ -	\$ 549	\$ 28,906	\$ 28,924	\$ 19	
1945	Measurement & Testing Equipment	\$ 42,341	\$ 784	\$ 41,557	\$ -	\$ -	\$ -	\$ -	4.01	24.94%	10.00	10.00%	\$ 10,363	\$ -	\$ -	\$ 10,363	\$ 10,535	\$ 171	
1950	Power Operated Equipment	\$ 423	\$ -	\$ 423	\$ -	\$ -	\$ -	\$ -	3.42	29.24%	10.00	10.00%	\$ 124	\$ -	\$ -	\$ 124	\$ 124	\$ -	
1955	Communications Equipment	\$ 32,694	\$ 5,016	\$ 27,678	\$ -	\$ -	\$ -	\$ 196,768	6.19	16.16%	8.00	12.50%	\$ 4,471	\$ -	\$ 12,298	\$ 16,769	\$ 9,179	\$ 7,591	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1960	Miscellaneous Equipment	\$ 1,217,003	\$ 823	\$ 1,217,827	\$ -	\$ -	\$ -	\$ 165,589	5.77	17.33%	10.00	10.00%	\$ 211,062	\$ -	\$ 8,279	\$ 219,341	\$ 211,321	\$ 8,020	
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1985	Miscellaneous Field Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1995	Contributions & Grants	\$ 9,602,941	\$ -	\$ 9,602,941	\$ -	\$ -	\$ -	\$ 551,053	21.06	4.75%	25.00	4.00%	\$ 455,980	\$ -	\$ 11,621	\$ 467,601	\$ 462,612	\$ 4,989	
2005	Property Under Capital Lease	\$ 65,728	\$ -	\$ 65,728	\$ -	\$ -	\$ -	\$ -	1.92	52.08%	5.00	20.00%	\$ 34,233	\$ -	\$ -	\$ 34,233	\$ 40,077	\$ 5,844	
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total		\$ 170,427,050	\$ 96,040	\$ 170,331,010	\$ -	\$ -	\$ -	\$ 10,156,939					\$ 10,435,240	\$ -	\$ 250,858	\$ 10,686,098	\$ 11,686,185	\$ 1,000,087	

KC Variance Analysis - Variances >\$100K

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of

Notes:

- column is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
- value of the prior year plus the prior year's additions.
- A recalculation should be performed to determine the average remaining life of operating balances of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinetics Report.
- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This should include assets in column a (excl column C) that become fully depreciated since the date of the policy change. The amount input in i (excl column D) should equal the net book value of the asset as at the date of depreciation policy change
- This should include assets in column d (excl column f) that have become fully depreciated. The amount input in i (excl column G) should equal the gross book value of the asset



ATTACHMENT 4 - U

2010 Actual (CGAAP) - Depreciation and Amortization Expenses

Board Appendix 2-CB

Appendix 2-C
Depreciation and Amortization Expense

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2010	CGAAP

		Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-B4 Fixed Assets, Column J		Variance ⁶		KC Variance Analysis - Variances >\$100K
Account	Description	Opening Net Book Value of Existing Assets	Less Fully Depreciated ¹	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁴	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Existing Assets ³	Depreciation Rate Assets Acquired After Policy Change	Life of New Assets Acquired Before Policy Change ⁵	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-B4 Fixed Assets, Column J	Variance ⁶				
		a	b	c=a-b	d	e	f=d-e	g	h	i=1/h	j	k=1/j	l=c/h	m=1/j	n=g*0.5/j	o=i+m+n	p	q=p-o				
1611	Computer Software (Formally known as Account 1925)	\$ 792,400	\$ 66,196	\$ 726,203	\$ -	\$ -	\$ -	\$13,769,462	3.06	32.68%	5.00	20.00%	\$ 237,321	\$ -	\$ 1,376,946	\$ 1,614,268	\$ 2,077,131	\$ 462,864	SAP Asset 13991-0 \$11.9 million dollar asset had 8 months of depreciation in 2010 not 6 (or half year rule). Difference totals \$397,308.			
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1805	Land	\$ 100,519	\$ -	\$ 100,519	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1808	Buildings	\$ 38,363	\$ 494	\$ 37,869	\$ -	\$ -	\$ -	\$ -	7.50	13.33%	50.00	2.00%	\$ 5,049	\$ -	\$ 5,049	\$ 6,253	\$ 1,204					
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1815	Transformer Station Equipment >50 kV	\$ 24,012,755	\$ -	\$ 24,012,755	\$ -	\$ -	\$ -	\$ -	29.49	3.39%	40.00	2.50%	\$ 814,268	\$ -	\$ -	\$ 814,268	\$ 821,734	\$ 7,466				
1820	Distribution Station Equipment <50 kV	\$ 1,212,607	\$ -	\$ 1,212,607	\$ -	\$ -	\$ -	\$ -	17.02	5.88%	25.00	4.00%	\$ 71,246	\$ -	\$ -	\$ 71,246	\$ 79,196	\$ 7,950				
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1830	Poles, Towers & Fixtures	\$ 51,043,025	\$ 57,395	\$ 50,985,630	\$ -	\$ -	\$ -	\$ 4,072,446	16.08	6.22%	25.00	4.00%	\$ 3,170,748	\$ -	\$ 81,449	\$ 3,252,197	\$ 3,470,008	\$ 217,811	Variance is due to pre-2000 assets that were brought in to PeopleSoft with a useful life less than 25 yrs. The average remaining life throws these assets off.			
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1840	Underground Conduit	\$ 39,075,563	\$ 34,877	\$ 39,040,686	\$ -	\$ -	\$ -	\$ 1,482,581	13.21	7.57%	25.00	4.00%	\$ 2,955,389	\$ -	\$ 29,652	\$ 2,985,040	\$ 3,224,680	\$ 239,639	Variance is due to pre-2000 assets that were brought in to PeopleSoft with a useful life less than 25 yrs. The average remaining life throws these assets off.			
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1850	Line Transformers	\$ 32,923,199	\$ 80,126	\$ 32,843,073	\$ -	\$ -	\$ -	\$ 2,082,534	14.44	6.93%	25.00	4.00%	\$ 2,274,451	\$ -	\$ 41,651	\$ 2,316,102	\$ 2,575,589	\$ 259,487	Variance is due to pre-2000 assets that were brought in to PeopleSoft with a useful life less than 25 yrs. The average remaining life throws these assets off.			
1855	Services (Overhead & Underground)	\$ 1,953,225	\$ -	\$ 1,953,225	\$ -	\$ -	\$ -	\$ 1,546,225	24.15	4.14%	25.00	4.00%	\$ 80,879	\$ -	\$ 30,925	\$ 111,803	\$ 102,022	\$ 9,781				
1860	Meters	\$ 4,965,109	\$ 1,505,648	\$ 3,459,461	\$ -	\$ -	\$ -	\$ 284,258	13.56	7.37%	25.00	4.00%	\$ 255,122	\$ -	\$ 5,685	\$ 260,808	\$ 406,057	\$ 145,250	Difference is due to how the Smart meters were removed from the asset base.			
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1908	Buildings & Fixtures	\$ 17,341,323	\$ 20,139	\$ 17,361,462	\$ -	\$ -	\$ -	\$ 265,211	40.51	2.47%	50.00	2.00%	\$ 428,572	\$ -	\$ 2,652	\$ 431,224	\$ 431,332	\$ 108				
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1915	Office Furniture & Equipment (10 years)	\$ 419,966	\$ 12,933	\$ 407,033	\$ -	\$ -	\$ -	\$ 41,067	5.64	17.73%	10.00	10.00%	\$ 72,169	\$ -	\$ 2,053	\$ 74,222	\$ 72,191	\$ 2,031				
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	5.00	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 99,347	\$ 35,049	\$ 64,298	\$ -	\$ -	\$ -	\$ -	1.34	74.63%	5.00	20.00%	\$ 47,983	\$ -	\$ -	\$ 47,983	\$ 71,206	\$ 23,222				
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 716,397	\$ 51,938	\$ 768,335	\$ -	\$ -	\$ -	\$ 1,447,004	4.12	24.27%	5.00	20.00%	\$ 186,489	\$ -	\$ 144,700	\$ 331,190	\$ 377,775	\$ 46,585				
1930	Transportation Equipment (Class 4,5,6,7)	\$ 359	\$ 359	\$ -	\$ -	\$ -	\$ -	\$ -	0.92	108.70%	5.00	20.00%	\$ -	\$ -	\$ -	\$ -	\$ 359	\$ 359				
1930	Transportation Equipment (Class 9)	\$ 229,328	\$ -	\$ 229,328	\$ -	\$ -	\$ -	\$ -	5.88	17.01%	8.00	12.50%	\$ 39,001	\$ -	\$ -	\$ 39,001	\$ 38,971	\$ 30				
1930	Transportation Equipment (Specialty Equip)	\$ 969,415	\$ 75,933	\$ 893,483	\$ -	\$ -	\$ -	\$ 318,597	12.72	7.86%	30.00	3.33%	\$ 70,242	\$ -	\$ 5,310	\$ 75,552	\$ 113,556	\$ 38,004				
1935	Stores Equipment	\$ 4,362	\$ -	\$ 4,362	\$ -	\$ -	\$ -	\$ 15,511	8.20	12.20%	10.00	10.00%	\$ 532	\$ -	\$ 776	\$ 1,307	\$ 532	\$ 775				
1940	Tools, Shop & Garage Equipment	\$ 85,837	\$ 8,374	\$ 77,463	\$ -	\$ -	\$ -	\$ -	2.66	37.59%	10.00	10.00%	\$ 29,121	\$ -	\$ -	\$ 29,121	\$ 25,852	\$ 3,269				
1945	Measurement & Testing Equipment	\$ 31,712	\$ 1,754	\$ 33,466	\$ -	\$ -	\$ -	\$ 28,700	3.22	31.06%	10.00	10.00%	\$ 10,393	\$ -	\$ 1,435	\$ 11,828	\$ 10,281	\$ 1,547				
1950	Power Operated Equipment	\$ 299	\$ -	\$ 299	\$ -	\$ -	\$ -	\$ -	2.42	41.32%	10.00	10.00%	\$ 123	\$ -	\$ -	\$ 123	\$ 124	\$ 0				
1955	Communications Equipment	\$ 215,267	\$ -	\$ 215,267	\$ -	\$ -	\$ -	\$ 196,869	7.51	13.32%	8.00	12.50%	\$ 28,664	\$ -	\$ 12,304	\$ 40,968	\$ 49,981	\$ 9,012				
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1960	Miscellaneous Equipment	\$ 1,172,095	\$ -	\$ 1,172,095	\$ -	\$ -	\$ -	\$ 88,125	5.13	19.49%	10.00	10.00%	\$ 228,479	\$ -	\$ 4,406	\$ 232,885	\$ 226,455	\$ 6,429				
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
1995	Contributions & Grants	\$ 9,691,382	\$ -	\$ 9,691,382	\$ -	\$ -	\$ -	\$ 221,209	20.27	4.93%	25.00	4.00%	\$ 478,115	\$ -	\$ 4,424	\$ 482,539	\$ 480,269	\$ 2,270				
2005	Property Under Capital Lease	\$ 25,651	\$ 16,856	\$ 8,795	\$ -	\$ -	\$ -	\$ -	1.00	100.00%	5.00	20.00%	\$ 8,795	\$ -	\$ -	\$ 8,795	\$ 25,651	\$ 16,856				
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total		\$ 169,090,145	\$ 1,820,408	\$ 167,269,737	\$ -	\$ -	\$ -	\$ 25,417,382					\$ 10,536,925	\$ -	\$ 1,735,520	\$ 12,272,445	\$ 13,726,668	\$ 1,454,223				

Go to Appendix 2-B4

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.
Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of

- Notes:**
- column is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
 - value of the prior year plus the prior year's additions.
 - A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
 - The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
 - Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
 - The applicant must provide an explanation of material variances in evidence.
 - This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
 - This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - V

2011 Actual (CGAAP) - Depreciation and Amortization Expenses

Board Appendix 2-CC

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2011	CGAAP

Account	Description	Book Values							Service Lives							Depreciation Expense							Variance ⁴
		Opening Net Book Value of Existing Assets	Less Fully Depreciated ¹	Net Amount of Existing Assets Before Policy Change to be Depreciated	Less Fully Depreciated ¹	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Existing Assets ³	Depreciation Rate Assets Acquired After Policy Change ⁴	Life of New Assets Acquired Before Policy Change ⁵	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁶	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-B A Fixed Assets, Column J							
a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = ch	m = fj	n = g*0.5j	o = l+m+n	p	q = p-o							
1611	Computer Software (Formerly known as Account 1920)	\$ 12,484,731	\$ 28,249	\$ 12,456,481	\$ -	\$ -	\$ 758,990	4.42	22.62%	5.00	20.00%	\$ 2,818,208	\$ -	\$ 75,899	\$ 2,894,107	\$ 3,000,853	\$ 106,746						
1612	Land Rights (Formerly known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1805	Land	\$ 100,519	\$ 6,108	\$ 94,411	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1808	Buildings	\$ 32,110	\$ 408	\$ 31,702	\$ -	\$ -	\$ 31,100	6.94	14.41%	50.00	2.00%	\$ 4,568	\$ -	\$ 311	\$ 4,879	\$ 6,367	\$ 1,488						
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1815	Transformer Station Equipment >50 kV	\$ 23,191,021	\$ -	\$ 23,191,021	\$ -	\$ -	\$ 23,638	28.49	3.51%	40.00	2.50%	\$ 814,006	\$ -	\$ 295	\$ 814,301	\$ 821,790	\$ 7,489						
1820	Distribution Station Equipment <50 kV	\$ 1,133,411	\$ 5,399	\$ 1,128,012	\$ -	\$ -	\$ -	16.02	6.24%	25.00	4.00%	\$ 70,413	\$ -	\$ -	\$ 70,413	\$ 79,196	\$ 8,784						
1625	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1830	Poles, Towers & Fixtures	\$ 51,645,463	\$ 53,254	\$ 51,592,209	\$ -	\$ -	\$ 6,260,554	15.70	6.37%	25.00	4.00%	\$ 3,286,128	\$ -	\$ 125,211	\$ 3,411,339	\$ 3,585,577	\$ 174,238						
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1840	Underground Conduit	\$ 37,333,465	\$ 41,964	\$ 37,291,501	\$ -	\$ -	\$ 1,328,147	12.47	8.02%	25.00	4.00%	\$ 2,990,497	\$ -	\$ 26,563	\$ 3,017,060	\$ 3,222,244	\$ 205,184						
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1850	Line Transformers	\$ 32,430,144	\$ 520,878	\$ 31,909,267	\$ -	\$ -	\$ 2,310,928	14.11	7.09%	25.00	4.00%	\$ 2,261,465	\$ -	\$ 46,219	\$ 2,307,683	\$ 2,570,978	\$ 263,294						
1855	Services (Overhead & Underground)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ -	\$ -	\$ 1,204,770	23.80	4.20%	25.00	4.00%	\$ 142,749	\$ -	\$ 24,095	\$ 166,844	\$ 152,045	\$ 14,800						
1860	Meters	\$ 3,353,708	\$ 1,010,861	\$ 2,342,846	\$ -	\$ -	\$ 433,745	12.83	7.79%	25.00	4.00%	\$ 182,607	\$ -	\$ 8,675	\$ 191,282	\$ 243,559	\$ 52,277						
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,720	-	0.00%	25.00	4.00%	\$ -	\$ -	\$ 34	\$ 34	\$ 10	\$ 25						
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1908	Buildings & Fixtures	\$ 17,195,341	\$ -	\$ 17,195,341	\$ -	\$ -	\$ 329,274	39.65	2.52%	50.00	2.00%	\$ 433,678	\$ -	\$ 3,293	\$ 436,971	\$ 437,268	\$ 298						
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 2,951	\$ 385,890	\$ -	\$ -	\$ 39,566	5.66	17.67%	10.00	10.00%	\$ 68,179	\$ -	\$ 1,978	\$ 70,157	\$ 66,748	\$ 3,409						
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	5.00	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1920	Computer Equip.-Hardware(Post Mar. 2008)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	0.69	144.93%	5.00	20.00%	\$ -	\$ -	\$ -	\$ -	\$ 28,141	\$ 28,141						
1920	Computer Equip.-Hardware(Post Mar. 1997)	\$ 1,837,565	\$ -	\$ 1,837,565	\$ -	\$ -	\$ 209,864	3.92	25.51%	5.00	20.00%	\$ 468,767	\$ -	\$ 20,988	\$ 489,753	\$ 479,170	\$ 10,583						
1930	Transportation Equipment (Class 4,5,6,7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	-	0.00%	5.00	20.00%	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -1						
1930	Transportation Equipment (Class 9)	\$ 190,357	\$ -	\$ 190,357	\$ -	\$ -	\$ -	4.88	20.49%	8.00	12.50%	\$ 39,008	\$ -	\$ -	\$ 39,008	\$ 38,972	\$ 36						
1930	Transportation Equipment (Specialty Equip)	\$ 1,105,069	\$ -	\$ 1,105,069	\$ -	\$ -	\$ 6,287	16.06	6.23%	30.00	3.33%	\$ 68,899	\$ -	\$ 194	\$ 69,113	\$ 114,135	\$ 45,222						
1935	Stoves Equipment	\$ 19,341	\$ -	\$ 19,341	\$ -	\$ -	\$ 66,918	9.22	10.85%	10.00	10.00%	\$ 2,098	\$ -	\$ 3,346	\$ 5,444	\$ 4,047	\$ 1,396						
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 2,047	\$ 57,938	\$ -	\$ -	\$ 21,885	3.43	29.15%	10.00	10.00%	\$ 16,892	\$ -	\$ 1,094	\$ 17,986	\$ 17,256	\$ 730						
1945	Measurement & Testing Equipment	\$ 51,885	\$ 1,090	\$ 50,795	\$ -	\$ -	\$ 253,347	7.56	13.23%	10.00	10.00%	\$ 6,719	\$ -	\$ 12,667	\$ 19,386	\$ 13,281	\$ 6,105						
1950	Power Operated Equipment	\$ 175	\$ -	\$ 175	\$ -	\$ -	\$ -	1.42	70.42%	10.00	10.00%	\$ 123	\$ -	\$ -	\$ 123	\$ 124	\$ 0						
1955	Communications Equipment	\$ 362,155	\$ -	\$ 362,155	\$ -	\$ -	\$ 29,554	6.89	14.51%	8.00	12.50%	\$ 52,562	\$ -	\$ 1,847	\$ 54,410	\$ 60,373	\$ 5,964						
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1960	Miscellaneous Equipment	\$ 1,033,764	\$ 30,582	\$ 1,003,182	\$ -	\$ -	\$ 71,932	3.31	30.21%	10.00	10.00%	\$ 303,076	\$ -	\$ 3,597	\$ 306,673	\$ 235,438	\$ 71,235						
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1985	Miscellaneous Field Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
1995	Contributions & Grants	\$ 9,432,322	\$ 5,299	\$ 9,427,023	\$ -	\$ -	\$ 332,537	19.37	5.16%	25.00	4.00%	\$ 486,682	\$ -	\$ 6,651	\$ 493,332	\$ 494,345	\$ 1,012						
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	5.00	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Total		\$ 179,295,701	\$ 1,726,633	\$ 177,569,069	\$ -	\$ -	\$ 13,049,667					\$ 13,543,869	\$ -	\$ 349,586	\$ 13,893,455	\$ 14,683,228	\$ 789,794						

KC Variance Analysis - Variances >\$100K

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of

Notes:

- column is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
- value of the prior year plus the prior year's additions.
- A recalculation should be performed to determine the average remaining life of operating balances of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, the useful life of Asset A should be recalculated to reflect the change in policy.
- The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinetics Report.
- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This should include assets in column a (excl column C) that become fully depreciated since the date of the policy change. The amount input in b (excl column D) should equal the net book value of the asset as at the date of depreciation policy change
- This should include assets in column d (excl column f) that have become fully depreciated. The amount input in e (excl column G) should equal the gross book value of the asset



ATTACHMENT 4 - W

2011 Actual (MIFRS) - Depreciation and Amortization Expenses

Board Appendix 2-CD

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies		Applicable Years and Accounting Standard															Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below	
Rebasing for the first time with depreciation policy changes made in 2012.		This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).															2011	MFRS	
Account	Description	Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁶
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense			
		a	b	c = a-b	d	e	f = d-e	g	h	i = f/h	j	k = 1/j	l = c/h	m = f/j	n = g/0.5j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 12,484,731	\$ 28,249	\$ 12,456,481	\$ -	\$ -	\$ -	\$ 757,427	4.15	24.10%	5.00	20.00%	\$ 3,001,562	\$ -	\$ 75,743	\$ 3,077,305	\$ 3,000,748	\$ -	\$ 76,556
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1805	Land	\$ 100,519	\$ 6,108	\$ 94,411	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,090	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ 1,204	\$ 1,204	\$ 2,323	\$ -	\$ 1,119
1808	Buildings - Roof	\$ 7,385	\$ 94	\$ 7,291	\$ -	\$ -	\$ -	\$ -	9.00	11.11%	20.00	5.00%	\$ 810	\$ -	\$ -	\$ 810	\$ 1,330	\$ -	\$ 520
1808	Buildings - Structure	\$ 24,725	\$ -	\$ 24,725	\$ -	\$ -	\$ -	\$ 6,548	39.00	2.56%	50.00	2.00%	\$ 634	\$ -	\$ 65	\$ 699	\$ 768	\$ -	\$ 68
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1915	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 605,754	\$ -	\$ 57,070
1915	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ -	\$ 576,240	\$ -	\$ -	\$ -	\$ 21,484	3.62	27.62%	8.00	12.50%	\$ 159,182	\$ -	\$ 1,343	\$ 160,525	\$ 163,680	\$ -	\$ 3,154
1915	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ -	\$ -	\$ -	\$ -	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ -	\$ -	\$ 129,466	\$ 150,507	\$ -	\$ 21,041
1915	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ -	\$ -	\$ -	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ -	\$ -	\$ 321,453	\$ 386,688	\$ -	\$ 65,236
1920	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 1,350	\$ 2,182	\$ -	\$ -	\$ -	\$ -	2.26	44.25%	8.00	12.50%	\$ 966	\$ -	\$ -	\$ 966	\$ 2,073	\$ -	\$ 1,107
1920	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ -	\$ -	\$ -	\$ -	34.96	2.86%	45.00	2.22%	\$ 32,319	\$ -	\$ -	\$ 32,319	\$ 31,972	\$ -	\$ 347
1925	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1930	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 4,169	\$ 31,970,991	\$ -	\$ -	\$ -	\$ 862,871	37.74	2.65%	45.00	2.22%	\$ 847,138	\$ -	\$ 9,587	\$ 856,726	\$ 871,455	\$ -	\$ 14,730
1930	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 668,107	-	0.00%	50.00	2.00%	\$ -	\$ -	\$ 6,681	\$ 6,681	\$ 1,114	\$ -	\$ 5,568
1930	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,378	-	0.00%	80.00	1.25%	\$ -	\$ -	\$ 246	\$ 246	\$ 41	\$ -	\$ 205
1930	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ -	\$ 3,336,605	\$ -	\$ -	\$ -	\$ 253,058	38.18	2.62%	45.00	2.22%	\$ 87,391	\$ -	\$ 2,812	\$ 90,203	\$ 88,595	\$ -	\$ 1,608
1930	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ -	\$ -	\$ -	\$ 3,367,382	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ -	\$ 28,062	\$ 334,971	\$ 323,143	\$ -	\$ 11,827
1935	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1940	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ -	\$ -	\$ -	\$ 357,340	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ -	\$ 5,956	\$ 250,176	\$ 252,664	\$ -	\$ 2,488
1940	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ -	\$ -	\$ -	\$ 456,309	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ -	\$ 5,704	\$ 435,106	\$ 458,121	\$ -	\$ 23,016
1940	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ -	\$ -	\$ -	\$ 461,390	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ -	\$ 4,614	\$ 497,961	\$ 508,540	\$ -	\$ 10,579
1945	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1950	Line Transformers	\$ 32,430,143	\$ 419,128	\$ 32,011,015	\$ -	\$ -	\$ -	\$ 2,211,689	31.79	3.15%	40.00	2.50%	\$ 1,006,952	\$ -	\$ 27,646	\$ 1,034,598	\$ 1,079,569	\$ -	\$ 44,970
1955	Services (Overhead & Underground)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ -	\$ -	\$ -	\$ 1,187,589	58.87	1.70%	60.00	1.67%	\$ 57,740	\$ -	\$ 9,897	\$ 67,637	\$ 61,448	\$ -	\$ 6,189
1960	Meters	\$ 2,734,088	\$ 1,234,622	\$ 1,499,466	\$ -	\$ -	\$ -	\$ 71,101	17.69	5.65%	25.00	4.00%	\$ 84,763	\$ -	\$ 1,422	\$ 86,185	\$ 130,154	\$ -	\$ 43,969
1960	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ -	\$ -	\$ -	\$ 335,612	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ -	\$ 11,187	\$ 82,144	\$ 76,945	\$ -	\$ 5,199
1960	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ -	\$ 426,282	\$ -	\$ -	\$ -	\$ 127,268	5.82	17.18%	10.00	10.00%	\$ 73,244	\$ -	\$ 6,363	\$ 79,608	\$ 121,752	\$ -	\$ 42,145
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ -	\$ -	\$ -	\$ -	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ -	\$ -	\$ 403,737	\$ 408,063	\$ -	\$ 4,347
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ -	\$ -	\$ -	\$ 198,283	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ -	\$ 1,983	\$ 328,733	\$ 327,501	\$ -	\$ 1,233
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 2,951	\$ 385,891	\$ -	\$ -	\$ -	\$ 39,512	7.20	13.89%	10.00	10.00%	\$ 53,596	\$ -	\$ 1,976	\$ 55,571	\$ 66,341	\$ -	\$ 10,769
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ -	\$ 28,141	\$ -	\$ -	\$ -	\$ -	0.87	114.94%	-	0.00%	\$ 32,346	\$ -	\$ -	\$ 32,346	\$ 28,141	\$ -	\$ 4,205
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 1,837,565	\$ -	\$ 1,837,565	\$ -	\$ -	\$ -	\$ 201,137	4.04	24.75%	5.00	20.00%	\$ 454,843	\$ -	\$ 20,114	\$ 474,956	\$ 473,178	\$ -	\$ 1,779
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	-	0.00%	7.00	14.29%	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 0
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	-	0.00%	9.00	11.11%	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 0
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ -	\$ -	\$ -	\$ 0	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ -	\$ 0	\$ 15,578	\$ 15,707	\$ -	\$ 129
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ -	\$ 1,105,069	\$ -	\$ -	\$ -	\$ 6,267	18.17	5.50%	20.00	5.00%	\$ 60,818	\$ -	\$ 157	\$ 60,975	\$ 118,323	\$ -	\$ 57,348
1935	Stores Equipment	\$ 19,276	\$ -	\$ 19,276	\$ -	\$ -	\$ -	\$ 66,333	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ -	\$ 3,317	\$ 5,372	\$ 7,523	\$ -	\$ 2,151
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 2,047	\$ 57,938	\$ -	\$ -	\$ -	\$ 20,922	5.44	18.38%	10.00	10.00%	\$ 10,650	\$ -	\$ 1,046	\$ 11,696	\$ 17,227	\$ -	\$ 5,531
1945	Measurement & Testing Equipment	\$ 21,867	\$ 1,090	\$ 20,777	\$ -	\$ -	\$ -	\$ -	2.59	38.61%	10.00	10.00%	\$ 8,022	\$ -	\$ -	\$ 8,022	\$ 9,845	\$ -	\$ 1,823
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ -	\$ 869,756	\$ -	\$ -	\$ -	\$ 242,469	7.26	13.77%	15.00	6.67%	\$ 119,801	\$ -	\$ 8,082	\$ 127,883	\$ 144,213	\$ -	\$ 16,330
1950	Power Operated Equipment	\$ 175	\$ -	\$ 175	\$ -	\$ -	\$ -	\$ -	1.42	70.42%	10.00	10.00%	\$ 123	\$ -	\$ -	\$ 123	\$ 124	\$ -	\$ 0
1955	Communications Equipment	\$ 362,155	\$ -	\$ 362,155	\$ -	\$ -	\$ -	\$ 29,218	6.99	14.31%	8.00	12.50%	\$ 51,811	\$ -	\$ 1,826	\$ 53,637	\$ 52,891	\$ -	\$ 745
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1960	Miscellaneous Equipment	\$ 1,033,828	\$ 51,781	\$ 982,047	\$ -	\$ -	\$ -	\$ 52,466	6.02	16.61%	10.00	10.00%	\$ 163,131	\$ -	\$ 2,623	\$ 165,754	\$ 218,871	\$ 53,117
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	\$ 1,872,280	\$ -	\$ 1,872,280	\$ -	\$ -	\$ -	\$ 96,295	41.72	2.40%	45.00	2.22%	\$ 44,877	\$ -	\$ 1,070	\$ 45,947	\$ 46,127	\$ 180
1995	Contributions & Grants - OH Conductor	\$ 246,834	\$ -	\$ 246,834	\$ -	\$ -	\$ -	\$ 128,583	55.20	1.81%	60.00	1.67%	\$ 4,472	\$ -	\$ 1,072	\$ 5,543	\$ 5,896	\$ 353
1995	Contributions & Grants - UG Cable	\$ 3,397,063	\$ -	\$ 3,397,063	\$ -	\$ -	\$ -	\$ 39,704	33.62	2.97%	40.00	2.50%	\$ 101,043	\$ -	\$ 496	\$ 101,539	\$ 100,750	\$ 789
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,730	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ 112	\$ 112	\$ 187	\$ 75
1995	Contributions & Grants - Services	\$ 1,089,101	\$ -	\$ 1,089,101	\$ -	\$ -	\$ -	\$ 3,215	56.30	1.78%	60.00	1.67%	\$ 19,345	\$ -	\$ 27	\$ 19,371	\$ 19,393	\$ 21
1995	Contributions & Grants - Transformers	\$ 2,617,776	\$ 5,373	\$ 2,612,403	\$ -	\$ -	\$ -	\$ 54,614	38.92	2.57%	45.00	2.22%	\$ 67,122	\$ -	\$ 607	\$ 67,729	\$ 67,927	\$ 198
1995	Contributions & Grants - Meters	\$ 209,268	\$ -	\$ 209,268	\$ -	\$ -	\$ -	\$ 3,421	20.76	4.82%	25.00	4.00%	\$ 10,080	\$ -	\$ 68	\$ 10,149	\$ 10,398	\$ 249
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 179,295,701	\$ 1,746,216	\$ 177,549,485	\$ -	\$ -	\$ -	\$ 11,732,692	-	-	-	-	\$ 9,353,462	\$ -	\$ 236,204	\$ 9,589,666	\$ 9,956,676	\$ 367,010
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of

Notes:

- column is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
- value of the prior year plus the prior year's additions.
- A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes,
- The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
- This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - X

2012 Actual - Depreciation and Amortization Expenses

Board Appendix 2-CE

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2012	MFRS

		Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁶
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense			
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 73,051	\$ 813,571	\$ 582,653	\$ -	\$ 582,653	\$ 466,153	3.52	28.41%	5.00	20.00%	\$ 231,128	\$ 116,531	\$ 46,615	\$ 394,274	\$ 392,876	\$ -1,398	
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,772,884	\$ -	\$ 11,772,884	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 1,177,288	\$ -	\$ 1,177,288	\$ 1,086,791	\$ -90,498	
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 100,519	\$ 6,108	\$ 94,411	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 24,090	\$ -	\$ 24,090	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 2,409	\$ -	\$ 2,409	\$ 2,408	\$ -1	
1808	Buildings - Roof	\$ 7,385	\$ 578	\$ 6,807	\$ -	\$ -	\$ -	\$ -	9.00	11.11%	20.00	5.00%	\$ 756	\$ -	\$ -	\$ 756	\$ 1,236	\$ 480	
1808	Buildings - Structure	\$ 24,725	\$ -	\$ 24,725	\$ 6,548	\$ -	\$ 6,548	\$ -	39.00	2.56%	50.00	2.00%	\$ 634	\$ 131	\$ -	\$ 765	\$ 768	\$ 3	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 600,080	\$ 51,396	
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ -	\$ 576,240	\$ 21,484	\$ -	\$ 21,484	\$ -	3.62	27.62%	8.00	12.50%	\$ 159,182	\$ 2,686	\$ -	\$ 161,868	\$ 166,141	\$ 4,273	
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ -	\$ -	\$ -	\$ -	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ -	\$ -	\$ 129,466	\$ 150,507	\$ 21,041	
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ -	\$ -	\$ -	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ -	\$ -	\$ 321,453	\$ 386,688	\$ 65,236	
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 1,370	\$ 2,162	\$ -	\$ -	\$ -	\$ -	3.03	33.00%	8.00	12.50%	\$ 714	\$ -	\$ -	\$ 714	\$ 723	\$ 10	
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ -	\$ -	\$ -	\$ -	34.96	2.86%	45.00	2.22%	\$ 32,319	\$ -	\$ -	\$ 32,319	\$ 31,972	\$ 347	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 16,203	\$ 31,958,956	\$ 862,871	\$ -	\$ 862,871	\$ 1,702,078	37.73	2.65%	45.00	2.22%	\$ 847,044	\$ 19,175	\$ 18,912	\$ 885,131	\$ 900,942	\$ 15,812	
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 668,107	\$ -	\$ 668,107	\$ 620,175	-	0.00%	50.00	2.00%	\$ -	\$ 13,362	\$ 6,202	\$ 19,564	\$ 16,606	\$ 2,958	
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 39,378	\$ -	\$ 39,378	\$ 74,658	-	0.00%	80.00	1.25%	\$ -	\$ 492	\$ 467	\$ 959	\$ 1,040	\$ 81	
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ -	\$ 3,336,605	\$ 253,058	\$ -	\$ 253,058	\$ 220,016	38.18	2.62%	45.00	2.22%	\$ 87,391	\$ 5,624	\$ 2,445	\$ 95,460	\$ 95,645	\$ 186	
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 3,367,382	\$ -	\$ 3,367,382	\$ 2,175,952	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 56,123	\$ 18,133	\$ 381,165	\$ 376,089	\$ 5,076	
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 357,340	\$ -	\$ 357,340	\$ 54,048	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 11,911	\$ 901	\$ 257,032	\$ 261,476	\$ 4,444	
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 456,309	\$ -	\$ 456,309	\$ 1,349,148	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 11,408	\$ 16,864	\$ 457,674	\$ 480,465	\$ 22,791	
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 461,390	\$ -	\$ 461,390	\$ 793,159	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 9,228	\$ 7,932	\$ 510,507	\$ 518,836	\$ 8,330	
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1850	Line Transformers	\$ 32,430,143	\$ 697,289	\$ 31,732,854	\$ 2,211,689	\$ 36,252	\$ 2,175,437	\$ 2,185,624	31.37	3.19%	40.00	2.50%	\$ 1,011,567	\$ 54,386	\$ 27,320	\$ 1,093,273	\$ 1,116,468	\$ 23,194	
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 1,187,589	\$ -	\$ 1,187,589	\$ 990,146	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 19,793	\$ 8,251	\$ 85,784	\$ 82,165	\$ 3,620	
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 686,643	-	0.00%	35.00	2.86%	\$ -	\$ -	\$ 9,809	\$ 9,809	\$ 2,944	\$ 6,865	
1860	Meters	\$ 2,734,088	\$ 1,392,441	\$ 1,341,648	\$ 71,101	\$ 3,613	\$ 67,488	\$ 90,191	10.99	9.10%	25.00	4.00%	\$ 122,079	\$ 2,700	\$ 1,804	\$ 126,582	\$ 103,379	\$ 23,204	
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 335,612	\$ -	\$ 335,612	\$ 838,617	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 22,374	\$ 27,954	\$ 121,285	\$ 104,069	\$ 17,215	
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,072	-	0.00%	15.00	6.67%	\$ -	\$ -	\$ 6,536	\$ 6,536	\$ 61,344	\$ 67,880	
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 95,814	\$ 330,468	\$ 127,268	\$ -	\$ 127,268	\$ 213,056	5.82	17.18%	10.00	10.00%	\$ 56,781	\$ 12,727	\$ 10,653	\$ 80,161	\$ 131,979	\$ 51,818	
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ -	\$ -	\$ -	\$ 112,399	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ -	\$ 2,810	\$ 406,547	\$ 410,227	\$ 3,680	
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 198,283	\$ -	\$ 198,283	\$ 270,241	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 3,966	\$ 2,702	\$ 333,419	\$ 332,765	\$ 654	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 15,232	\$ 373,610	\$ 39,512	\$ -	\$ 39,512	\$ 60,777	7.25	13.79%	10.00	10.00%	\$ 51,532	\$ 3,951	\$ 3,039	\$ 58,522	\$ 68,937	\$ 10,414	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 1,837,565	\$ -	\$ 1,837,565	\$ 201,137	\$ -	\$ 201,137	\$ 306,044	4.04	24.75%	5.00	20.00%	\$ 454,843	\$ 40,227	\$ 30,604	\$ 525,675	\$ 493,064	\$ 32,610	
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 3	\$ 1,399	-	0.00%	7.00	14.29%	\$ -	\$ 0	\$ 100	\$ 100	\$ 200	\$ 100	
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2	\$ -	-	0.00%	9.00	11.11%	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ -0	
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 0	\$ -	\$ 0	\$ -	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ -	\$ -	\$ 15,578	\$ 15,707	\$ 129	
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 5,629	\$ 1,099,440	\$ 6,267	\$ -	\$ 6,267	\$ 17,460	18.17	5.50%	20.00	5.00%	\$ 60,509	\$ 313	\$ 437	\$ 61,258	\$ 116,832	\$ 55,574	
1935	Stores Equipment	\$ 19,276	\$ -	\$ 19,276	\$ 66,333	\$ -	\$ 66,333	\$ 28,479	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ 6,633	\$ 1,424	\$ 10,112	\$ 10,950	\$ 838	
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 12,087	\$ 47,898	\$ 20,922	\$ -	\$ 20,922	\$ 58,945	5.41	18.48%	10.00	10.00%	\$ 8,854	\$ 2,092	\$ 2,947	\$ 13,893	\$ 18,431	\$ 4,538	
1945	Measurement & Testing Equipment	\$ 21,867	\$ 1,090	\$ 20,777	\$ -	\$ -	\$ -	\$ 14,295	2.54	39.37%	10.00	10.00%	\$ 8,180	\$ -	\$ 715	\$ 8,895	\$ 8,974	\$ 80	

1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ -	\$ 869,756	\$ 242,469	\$ -	\$ 242,469	\$ 107,252	7.26	13.77%	15.00	6.67%	\$ 119,801	\$ 16,165	\$ 3,575	\$ 139,541	\$ 158,898	\$ 19,358
1950	Power Operated Equipment	\$ 175	\$ -	\$ 175	\$ -	\$ -	\$ -	\$ -	1.42	70.42%	10.00	10.00%	\$ 123	\$ -	\$ -	\$ 123	\$ 52	\$ 72
1955	Communications Equipment	\$ 362,155	\$ -	\$ 362,155	\$ 29,218	\$ -	\$ 29,218	\$ 53,433	6.99	14.31%	8.00	12.50%	\$ 51,811	\$ 3,652	\$ 3,340	\$ 58,802	\$ 60,283	\$ 1,480
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 51,781	\$ 982,047	\$ 52,466	\$ -	\$ 52,466	\$ 55,417	6.04	16.56%	10.00	10.00%	\$ 162,591	\$ 5,247	\$ 2,771	\$ 170,608	\$ 203,586	\$ 32,978
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	\$ 1,872,280	\$ -	\$ 1,872,280	\$ 96,295	\$ 96,295	\$ -	\$ -	41.72	2.40%	45.00	2.22%	\$ 44,877	\$ -	\$ -	\$ 44,877	\$ 44,964	\$ 87
1995	Contributions & Grants - OH Conductor	\$ 246,834	\$ -	\$ 246,834	\$ 128,583	\$ 128,583	\$ -	\$ -	55.20	1.81%	60.00	1.67%	\$ 4,472	\$ -	\$ -	\$ 4,472	\$ 4,483	\$ 11
1995	Contributions & Grants - UG Cable	\$ 3,397,063	\$ -	\$ 3,397,063	\$ 39,704	\$ 39,704	\$ -	\$ -	33.62	2.97%	40.00	2.50%	\$ 101,043	\$ -	\$ -	\$ 101,043	\$ 100,194	\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ 6,730	\$ 6,730	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Services	\$ 1,089,101	\$ -	\$ 1,089,101	\$ 3,215	\$ 3,215	\$ -	\$ -	56.30	1.78%	60.00	1.67%	\$ 19,345	\$ -	\$ -	\$ 19,345	\$ 19,348	\$ 4
1995	Contributions & Grants - Transformers	\$ 2,617,776	\$ 5,373	\$ 2,612,403	\$ 54,614	\$ 54,614	\$ -	\$ -	38.92	2.57%	45.00	2.22%	\$ 67,122	\$ -	\$ -	\$ 67,122	\$ 67,426	\$ 304
1995	Contributions & Grants - Meters	\$ 209,268	\$ -	\$ 209,268	\$ 3,421	\$ 3,421	\$ -	\$ -	20.76	4.82%	25.00	4.00%	\$ 10,080	\$ -	\$ -	\$ 10,080	\$ 10,296	\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468,285	-	0.00%	45.00	2.22%	\$ -	\$ -	\$ 5,203	\$ 5,203	\$ 7,915	\$ 2,712
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,031	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ 867	\$ 867	\$ 825	\$ 42
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 797,600	-	0.00%	60.00	1.67%	\$ -	\$ -	\$ 6,647	\$ 6,647	\$ 8,048	\$ 1,401
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347	-	0.00%	50.00	2.00%	\$ -	\$ -	\$ 3	\$ 3	\$ 5	\$ 2
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,460	-	0.00%	40.00	2.50%	\$ -	\$ -	\$ 3,318	\$ 3,318	\$ 3,864	\$ 546
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,730	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ 112	\$ 112	\$ 411	\$ 299
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,985	-	0.00%	60.00	1.67%	\$ -	\$ -	\$ 475	\$ 475	\$ 363	\$ 112
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,480	-	0.00%	40.00	2.50%	\$ -	\$ -	\$ 1,181	\$ 1,181	\$ 2,111	\$ 930
2440	Deferred Revenue - Spare Transformer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,372	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ 1,273	\$ 1,273	\$ 290	\$ 983
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,999	-	0.00%	25.00	4.00%	\$ -	\$ -	\$ 200	\$ 200	\$ 285	\$ 85
Total		\$ 167,697,591	\$ 2,391,440	\$ 165,306,151	\$ 23,330,802	\$ 292,697	\$ 23,623,499	\$ 11,913,591					\$ 6,571,197	\$ 1,620,594	\$ 245,981	\$ 8,437,772	\$ 8,579,026	\$ 141,254
		\$ -																

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement. Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

- Notes:**
- expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
 - the prior year plus the prior year's additions.
 - A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
 - The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
 - Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
 - The applicant must provide an explanation of material variances in evidence.
 - This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
 - This should include assets in column d (excel column F) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - Y

2013 Actual - Depreciation and Amortization Expenses

Board Appendix 2-CF

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies		Applicable Years and Accounting Standard															Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below	
Rebasing for the first time with depreciation policy changes made in 2012.		This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).															2013	MFRS	
Account	Description	Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁴
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense			
		a	b	c = a-b	d	e	f = d - e	g	h	i = f/h	j	k = 1/j	l = c/h	m = f/j	n = g*(0.5/j)	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 73,051	\$ 813,571	\$ 1,048,806	\$ -	\$ 1,048,806	\$ 468,736	3.41	29.33%	5.00	20.00%	\$ 238,584	\$ 209,761	\$ 46,874	\$ 495,219	\$ 465,772	\$ 29,446	
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,772,884	\$ -	\$ 11,772,884	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 1,177,288	\$ -	\$ 1,177,288	\$ 1,093,409	\$ 83,880	
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 100,519	\$ 6,108	\$ 94,411	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 24,090	\$ -	\$ 24,090	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 2,409	\$ -	\$ 2,409	\$ 2,409	\$ -	
1808	Buildings - Roof	\$ 7,385	\$ 578	\$ 6,807	\$ -	\$ -	\$ -	\$ -	8.30	12.05%	20.00	5.00%	\$ 820	\$ -	\$ -	\$ 820	\$ 994	\$ 174	
1808	Buildings - Structure	\$ 24,725	\$ -	\$ 24,725	\$ 6,548	\$ -	\$ 6,548	\$ -	39.00	2.56%	50.00	2.00%	\$ 634	\$ 131	\$ -	\$ 765	\$ 768	\$ 3	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 585,971	\$ 37,286	
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ -	\$ 576,240	\$ 21,484	\$ -	\$ 21,484	\$ -	3.62	27.62%	8.00	12.50%	\$ 159,182	\$ 2,686	\$ -	\$ 161,868	\$ 166,141	\$ 4,273	
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ -	\$ -	\$ -	\$ -	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ -	\$ -	\$ 129,466	\$ 150,507	\$ 21,041	
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ -	\$ -	\$ -	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ -	\$ -	\$ 321,453	\$ 386,688	\$ 65,236	
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 1,370	\$ 2,162	\$ -	\$ -	\$ -	\$ -	1.86	53.76%	8.00	12.50%	\$ 1,163	\$ -	\$ -	\$ 1,163	\$ 713	\$ 449	
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ -	\$ -	\$ -	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ -	\$ -	\$ 34,343	\$ 31,972	\$ 2,371	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 38,562	\$ 31,936,597	\$ 2,564,950	\$ 1,422	\$ 2,563,528	\$ 531,077	37.70	2.65%	45.00	2.22%	\$ 847,125	\$ 56,967	\$ 5,901	\$ 909,993	\$ 926,778	\$ 16,786	
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 1,288,282	\$ -	\$ 1,288,282	\$ 313,657	-	0.00%	50.00	2.00%	\$ -	\$ 25,766	\$ 3,137	\$ 28,902	\$ 30,495	\$ 1,592	
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 114,036	\$ -	\$ 114,036	\$ 35,817	-	0.00%	80.00	1.25%	\$ -	\$ 1,425	\$ 224	\$ 1,649	\$ 1,469	\$ 181	
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 34,018	\$ 3,302,587	\$ 473,074	\$ -	\$ 473,074	\$ 118,844	37.78	2.65%	45.00	2.22%	\$ 87,416	\$ 10,513	\$ 1,320	\$ 99,250	\$ 99,955	\$ 706	
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 5,543,334	\$ -	\$ 5,543,334	\$ 2,450,877	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 92,389	\$ 20,424	\$ 419,722	\$ 423,303	\$ 3,581	
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 411,388	\$ -	\$ 411,388	\$ 619,250	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 13,713	\$ 10,321	\$ 268,254	\$ 277,424	\$ 9,169	
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 1,805,457	\$ -	\$ 1,805,457	\$ 1,105,848	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 45,136	\$ 13,823	\$ 488,361	\$ 520,568	\$ 32,207	
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 1,254,549	\$ -	\$ 1,254,549	\$ 790,487	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 25,091	\$ 7,905	\$ 526,343	\$ 540,483	\$ 14,140	
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1850	Line Transformers	\$ 32,430,143	\$ 803,828	\$ 31,626,315	\$ 4,361,061	\$ 23,292	\$ 4,337,768	\$ 1,723,115	30.98	3.23%	40.00	2.50%	\$ 1,020,862	\$ 108,444	\$ 21,539	\$ 1,150,845	\$ 1,163,776	\$ 12,931	
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 2,177,735	\$ -	\$ 2,177,735	\$ 1,118,618	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 36,296	\$ 9,322	\$ 103,358	\$ 101,616	\$ 1,742	
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 686,643	\$ -	\$ 686,643	\$ 185,905	-	0.00%	35.00	2.86%	\$ -	\$ 19,618	\$ 2,656	\$ 22,274	\$ 21,918	\$ 356	
1860	Meters	\$ 2,734,088	\$ 1,340,720	\$ 1,393,368	\$ 157,679	\$ 47,434	\$ 110,245	\$ 47,721	8.91	11.22%	25.00	4.00%	\$ 156,383	\$ 4,410	\$ 954	\$ 161,747	\$ 91,999	\$ 69,748	
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,174,229	\$ -	\$ 1,174,229	\$ 195,826	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 78,282	\$ 6,528	\$ 155,766	\$ 146,293	\$ 9,473	
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ 196,072	\$ 112,484	\$ 83,588	\$ 742,017	-	0.00%	15.00	6.67%	\$ -	\$ 5,573	\$ 24,734	\$ 30,306	\$ 48,554	\$ 18,247	
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 95,814	\$ 330,468	\$ 340,325	\$ -	\$ 340,325	\$ 112,910	5.40	18.52%	10.00	10.00%	\$ 61,198	\$ 34,032	\$ 5,646	\$ 100,876	\$ 84,084	\$ 16,791	
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 112,399	\$ -	\$ 112,399	\$ -	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 5,620	\$ -	\$ 409,357	\$ 413,703	\$ 4,347	
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 468,523	\$ -	\$ 468,523	\$ 66,272	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 9,370	\$ 663	\$ 336,784	\$ 337,277	\$ 493	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 15,232	\$ 373,610	\$ 100,289	\$ -	\$ 100,289	\$ 19,425	7.18	13.93%	10.00	10.00%	\$ 52,635	\$ 10,029	\$ 971	\$ 63,035	\$ 64,645	\$ 1,610	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,837,565	\$ 77,929	\$ 1,759,636	\$ 507,181	\$ 277,443	\$ 229,738	\$ 181,083	3.96	25.25%	5.00	20.00%	\$ 444,352	\$ 45,948	\$ 18,108	\$ 508,408	\$ 484,718	\$ 23,690	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	\$ 2,134	
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 1,402	\$ -	\$ 1,402	\$ 7	-	0.00%	7.00	14.29%	\$ -	\$ 200	\$ 1	\$ 201	\$ 201	\$ 0	
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2	\$ -	-	0.00%	9.00	11.11%	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 0	\$ -	\$ 0	\$ -	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 0	\$ -	\$ 15,578	\$ 15,706	\$ 128	
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 5,629	\$ 1,099,440	\$ 23,727	\$ -	\$ 23,727	\$ -	18.16	5.51%	20.00	5.00%	\$ 60,542	\$ 1,186	\$ -	\$ 61,728	\$ 115,567	\$ 53,839	
1935	Stores Equipment	\$ 19,276	\$ -	\$ 19,276	\$ 94,812	\$ -	\$ 94,812	\$ 41,143	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ 9,481	\$ 2,057	\$ 13,593	\$ 12,785	\$ 808	
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 12,087	\$ 47,898	\$ 79,967	\$ -	\$ 79,967	\$ 80,420	5.18	19.31%	10.00	10.00%	\$ 9,247	\$ 7,987	\$ 4,021	\$ 21,254	\$ 23,221	\$ 1,966	
1945	Measurement & Testing Equipment	\$ 21,867	\$ 15,130	\$ 6,737	\$ 14,295	\$ -	\$ 14,295	\$ 23,726	1.26	79.37%	10.00	10.00%	\$ 5,347	\$ 1,430	\$ 1,186	\$ 7,963	\$ 4,549	\$ 3,413	
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ -	\$ 869,756	\$ 349,721	\$ -	\$ 349,721	\$ 128,965	7.26	13.77%	15.00	6.67%	\$ 119,801	\$ 23,315	\$ 4,299	\$ 147,415	\$ 169,861	\$ 22,447	

1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 362,155	\$ -	\$ 362,155	\$ 82,651	\$ -	\$ 82,651	\$ 49,380	6.99	14.31%	8.00	12.50%	\$ 51,811	\$ 10,331	\$ 3,086	\$ 65,228	\$ 63,504	\$ 1,724	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 165,659	\$ 868,169	\$ 107,883	\$ -	\$ 107,883	\$ -	5.91	16.92%	10.00	10.00%	\$ 146,898	\$ 10,788	\$ -	\$ 157,687	\$ 177,079	\$ 19,393	
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1995	Contributions & Grants - Poles	\$ 1,872,280	\$ -	\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	\$ 44,877	\$ -	\$ -	\$ 44,877	\$ 44,964	\$ 87	
1995	Contributions & Grants - OH Conductor	\$ 246,834	\$ -	\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	\$ 4,472	\$ -	\$ -	\$ 4,472	\$ 4,483	\$ 11	
1995	Contributions & Grants - UG Cable	\$ 3,397,063	\$ -	\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	\$ 101,043	\$ -	\$ -	\$ 101,043	\$ 100,194	\$ 849	
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1995	Contributions & Grants - Services	\$ 1,089,101	\$ -	\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	\$ 19,345	\$ -	\$ -	\$ 19,345	\$ 19,348	\$ 4	
1995	Contributions & Grants - Transformers	\$ 2,617,776	\$ 5,373	\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	\$ 67,122	\$ -	\$ -	\$ 67,122	\$ 67,426	\$ 304	
1995	Contributions & Grants - Meters	\$ 209,268	\$ -	\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	\$ 10,080	\$ -	\$ -	\$ 10,080	\$ 10,296	\$ 216	
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	\$ 468,285	\$ 37,889	\$ 430,396	\$ 228,413	-	0.00%	45.00	2.22%	\$ -	\$ 9,564	\$ 2,538	\$ 12,102	\$ 14,930	\$ 2,828	
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	\$ 52,031	\$ -	\$ 52,031	\$ 17,835	-	0.00%	30.00	3.33%	\$ -	\$ 1,734	\$ 297	\$ 2,032	\$ 2,349	\$ 318	
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	\$ 797,600	\$ 147,797	\$ 649,802	\$ 392,209	-	0.00%	60.00	1.67%	\$ -	\$ 10,830	\$ 3,268	\$ 14,098	\$ 18,477	\$ 4,379	
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	\$ 347	\$ -	\$ 347	\$ 30,479	-	0.00%	50.00	2.00%	\$ -	\$ 7	\$ 305	\$ 312	\$ 601	\$ 289	
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	\$ 265,460	\$ -	\$ 265,460	\$ 179,093	-	0.00%	40.00	2.50%	\$ -	\$ 6,636	\$ 2,239	\$ 8,875	\$ 10,481	\$ 1,606	
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	\$ 6,730	\$ 14,090	\$ 7,360	\$ 44,977	-	0.00%	30.00	3.33%	\$ -	\$ 245	\$ 750	\$ 504	\$ 1,264	\$ 760	
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	\$ 56,985	\$ 1,580	\$ 55,405	\$ 93,420	-	0.00%	60.00	1.67%	\$ -	\$ 923	\$ 779	\$ 1,702	\$ 1,960	\$ 259	
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	\$ 94,480	\$ 39,587	\$ 54,893	\$ 250,656	-	0.00%	40.00	2.50%	\$ -	\$ 1,372	\$ 3,133	\$ 4,506	\$ 6,944	\$ 2,438	
2440	Deferred Revenue - Spare Transformer	\$ -	\$ -	\$ -	\$ 76,372	\$ -	\$ 76,372	\$ 9,524	-	0.00%	30.00	3.33%	\$ -	\$ 2,546	\$ 159	\$ 2,704	\$ 2,853	\$ 148	
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	\$ 9,999	\$ -	\$ 9,999	\$ 3,006	-	0.00%	25.00	4.00%	\$ -	\$ 400	\$ 60	\$ 460	\$ 745	\$ 285	
Total		\$ 167,697,591	\$ 2,708,658	\$ 164,988,934	\$ 35,814,533	\$ 221,131	\$ 35,593,402	\$ 9,901,516					\$ 6,601,100	\$ 2,079,592	\$ 202,171	\$ 8,882,863	\$ 8,965,171	\$ 82,308	



ATTACHMENT 4 - Z

2014 Actual - Depreciation and Amortization Expenses

Board Appendix 2-CG

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2014	MFRS

		Book Values							Service Lives				Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁶	
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense			
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 494,568	\$ 392,054	\$ 1,527,857	\$ -	\$ 1,527,857	\$ 9,815,668	1.98	50.51%	5.00	20.00%	\$ 198,007	\$ 305,571	\$ 981,567	\$ 1,485,145	\$ 1,988,544	\$ 503,399	
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,772,884	\$ -	\$ 11,772,884	\$ 23,906	9.35	10.70%	10.00	10.00%	\$ -	\$ 1,177,288	\$ 1,195	\$ 1,178,484	\$ 1,093,408	\$ 85,075	
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 100,519	\$ 6,108	\$ 94,411	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 24,090	\$ -	\$ 24,090	\$ 8,560	-	0.00%	10.00	10.00%	\$ -	\$ 2,409	\$ 428	\$ 2,837	\$ 3,265	\$ 428	
1808	Buildings - Roof	\$ 7,385	\$ 578	\$ 6,807	\$ -	\$ -	\$ -	\$ -	8.30	12.05%	20.00	5.00%	\$ 820	\$ -	\$ -	\$ 820	\$ 994	\$ 174	
1808	Buildings - Structure	\$ 24,725	\$ -	\$ 24,725	\$ 6,548	\$ -	\$ 6,548	\$ -	39.00	2.56%	50.00	2.00%	\$ 634	\$ 131	\$ -	\$ 765	\$ 768	\$ 3	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 584,890	\$ 36,206	
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ -	\$ 576,240	\$ 21,484	\$ -	\$ 21,484	\$ -	3.62	27.62%	8.00	12.50%	\$ 159,182	\$ 2,686	\$ -	\$ 161,868	\$ 74,097	\$ 87,771	
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ -	\$ -	\$ -	\$ -	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ -	\$ -	\$ 129,466	\$ 150,507	\$ 21,041	
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ -	\$ -	\$ -	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ -	\$ -	\$ 321,453	\$ 386,688	\$ 65,236	
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,442	\$ 90	\$ -	\$ -	\$ -	\$ -	1.00	100.00%	8.00	12.50%	\$ 90	\$ -	\$ -	\$ 90	\$ 22	\$ 67	
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ -	\$ -	\$ -	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ -	\$ -	\$ 34,343	\$ 31,972	\$ 2,371	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 51,030	\$ 31,924,130	\$ 3,094,605	\$ -	\$ 3,094,605	\$ 1,455,266	37.68	2.65%	45.00	2.22%	\$ 847,243	\$ 68,769	\$ 16,170	\$ 932,182	\$ 949,945	\$ 17,763	
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 1,601,939	\$ -	\$ 1,601,939	\$ 208,351	-	0.00%	50.00	2.00%	\$ -	\$ 32,039	\$ 2,084	\$ 34,122	\$ 34,604	\$ 481	
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	-	0.00%	80.00	1.25%	\$ -	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$ 6	
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 109,076	\$ 3,227,529	\$ 591,918	\$ -	\$ 591,918	\$ 1,129,842	36.84	2.71%	45.00	2.22%	\$ 87,609	\$ 13,154	\$ 12,554	\$ 113,317	\$ 115,878	\$ 2,561	
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 7,994,211	\$ -	\$ 7,994,211	\$ 2,700,253	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 133,237	\$ 22,502	\$ 462,648	\$ 464,573	\$ 1,925	
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 1,030,638	\$ -	\$ 1,030,638	\$ 2,078,918	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 34,355	\$ 34,649	\$ 313,223	\$ 304,937	\$ 8,286	
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 2,911,305	\$ -	\$ 2,911,305	\$ 3,375,167	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 72,783	\$ 42,190	\$ 544,374	\$ 576,144	\$ 31,770	
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 2,045,036	\$ -	\$ 2,045,036	\$ 242,750	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 40,901	\$ 2,428	\$ 536,676	\$ 552,528	\$ 15,852	
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1850	Line Transformers	\$ 32,430,143	\$ 923,147	\$ 31,506,996	\$ 6,060,884	\$ 72,644	\$ 5,988,240	\$ 1,888,735	30.85	3.24%	40.00	2.50%	\$ 1,021,296	\$ 149,706	\$ 23,609	\$ 1,194,612	\$ 1,208,595	\$ 13,983	
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 3,296,354	\$ -	\$ 3,296,354	\$ 1,062,759	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 54,939	\$ 8,856	\$ 121,536	\$ 121,738	\$ 203	
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 872,549	\$ -	\$ 872,549	\$ 619,310	-	0.00%	35.00	2.86%	\$ -	\$ 24,930	\$ 8,847	\$ 33,777	\$ 40,405	\$ 6,628	
1860	Meters	\$ 2,734,088	\$ 1,363,183	\$ 1,370,905	\$ 157,966	\$ 8,520	\$ 149,446	\$ -	8.68	11.52%	25.00	4.00%	\$ 157,938	\$ 5,978	\$ -	\$ 163,916	\$ 87,150	\$ 76,767	
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,370,055	\$ -	\$ 1,370,055	\$ -	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 91,337	\$ -	\$ 162,294	\$ 154,737	\$ 7,556	
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 122,172	\$ 5,499,618	\$ 2,972,417	\$ 203,802	\$ 2,768,615	\$ 599,311	14.47	6.91%	15.00	6.67%	\$ 380,076	\$ 184,574	\$ 19,977	\$ 584,622	\$ 2,477,585	\$ 1,892,963	
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 174,004	\$ 252,278	\$ 453,235	\$ -	\$ 453,235	\$ 280,033	4.96	20.16%	10.00	10.00%	\$ 50,863	\$ 45,324	\$ 14,002	\$ 110,188	\$ 91,970	\$ 18,217	
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 112,399	\$ -	\$ 112,399	\$ 242,978	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 5,620	\$ 6,074	\$ 415,431	\$ 417,764	\$ 2,333	
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 534,795	\$ -	\$ 534,795	\$ 61,308	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 10,696	\$ 613	\$ 338,060	\$ 338,968	\$ 908	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 25,455	\$ 363,387	\$ 119,714	\$ -	\$ 119,714	\$ 94,903	7.10	14.08%	10.00	10.00%	\$ 51,181	\$ 11,971	\$ 4,745	\$ 67,898	\$ 69,065	\$ 1,167	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 210,927	\$ 1,742,160	\$ 410,820	\$ -	\$ 410,820	\$ 709,280	3.82	26.18%	5.00	20.00%	\$ 456,063	\$ 82,164	\$ 70,928	\$ 609,155	\$ 627,432	\$ 18,277	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	\$ 2,134	
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 1,409	\$ 1	\$ 1,408	\$ 18,170	-	0.00%	7.00	14.29%	\$ -	\$ 201	\$ 1,298	\$ 1,499	\$ 633	\$ 866	
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2	\$ -	-	0.00%	9.00	11.11%	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 0	\$ -	\$ 0	\$ 35,479	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 0	\$ 0	\$ 1,183	\$ 16,760	\$ 15,903	\$ 857
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 7,083	\$ 1,097,986	\$ 23,727	\$ -	\$ 23,727	\$ -	18.15	5.51%	20.00	5.00%	\$ 60,495	\$ 1,186	\$ -	\$ 61,681	\$ 113,797	\$ 52,116	
1935	Stores Equipment	\$ 19,276	\$ -	\$ 19,276	\$ 135,955	\$ -	\$ 135,955	\$ 8,057	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ 13,596	\$ 403	\$ 16,053	\$ 15,336	\$ 718	
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 18,840	\$ 41,145	\$ 160,288	\$ -	\$ 160,288	\$ 123,995	4.80	20.83%	10.00	10.00%	\$ 8,572	\$ 16,029	\$ 6,200	\$ 30,800	\$ 31,168	\$ 367	

1945	Measurement & Testing Equipment	\$ 21,867	\$ 15,130	\$ 6,737	\$ 38,021	\$ -	\$ 38,021	\$ 37,717	1.26	79.37%	10.00	10.00%	\$ 5,347	\$ 3,802	\$ 1,886	\$ 11,035	\$ 5,827	\$ 5,208
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ -	\$ 869,756	\$ 478,686	\$ -	\$ 478,686	\$ 189,172	7.26	13.77%	15.00	6.67%	\$ 119,801	\$ 31,912	\$ 6,306	\$ 158,019	\$ 180,533	\$ 22,513
1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 362,155	\$ -	\$ 362,155	\$ 132,030	\$ -	\$ 132,030	\$ 7,371	6.99	14.31%	8.00	12.50%	\$ 51,811	\$ 16,504	\$ 461	\$ 68,775	\$ 69,640	\$ 865
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 1,523,227	\$ 281,381	\$ 1,241,846	\$ 144,834	\$ -	\$ 144,834	\$ -	6.97	14.35%	10.00	10.00%	\$ 178,170	\$ 14,483	\$ -	\$ 192,654	\$ 355,178	\$ 162,524
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	-\$ 1,872,280	\$ -	-\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	-\$ 44,877	\$ -	\$ -	-\$ 44,877	-\$ 44,964	-\$ 87
1995	Contributions & Grants - OH Conductor	-\$ 246,834	\$ -	-\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	-\$ 4,472	\$ -	\$ -	-\$ 4,472	-\$ 4,483	-\$ 11
1995	Contributions & Grants - UG Cable	-\$ 3,397,063	\$ -	-\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	-\$ 101,043	\$ -	\$ -	-\$ 101,043	-\$ 100,194	-\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Services	-\$ 1,089,101	\$ -	-\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	-\$ 19,345	\$ -	\$ -	-\$ 19,345	-\$ 19,348	-\$ 4
1995	Contributions & Grants - Transformers	-\$ 2,617,776	-\$ 5,373	-\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	-\$ 67,122	\$ -	\$ -	-\$ 67,122	-\$ 67,426	-\$ 304
1995	Contributions & Grants - Meters	-\$ 209,268	\$ -	-\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	-\$ 10,080	\$ -	\$ -	-\$ 10,080	-\$ 10,296	-\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	-\$ 658,809	\$ 1,248	-\$ 657,561	\$ 108,035	-	0.00%	45.00	2.22%	\$ -	-\$ 14,612	-\$ 1,200	\$ 15,813	-\$ 16,492	-\$ 679
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	-\$ 69,866	\$ -	-\$ 69,866	\$ 4,482	-	0.00%	30.00	3.33%	\$ -	-\$ 2,329	-\$ 75	\$ 2,404	-\$ 2,484	-\$ 80
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	-\$ 1,042,011	-\$ 163	-\$ 1,041,848	\$ 209,589	-	0.00%	60.00	1.67%	\$ -	-\$ 17,364	-\$ 1,747	\$ 19,111	-\$ 20,511	-\$ 1,401
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	-\$ 30,826	\$ -	-\$ 30,826	\$ 106,578	-	0.00%	50.00	2.00%	\$ -	-\$ 617	-\$ 1,066	-\$ 1,682	-\$ 2,743	-\$ 1,060
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	-\$ 444,552	-\$ 792	-\$ 443,760	-\$ 674,202	-	0.00%	40.00	2.50%	\$ -	-\$ 11,094	-\$ 8,428	-\$ 19,522	-\$ 22,387	-\$ 2,866
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	-\$ 37,617	\$ -	-\$ 37,617	\$ 984,459	-	0.00%	30.00	3.33%	\$ -	-\$ 1,254	-\$ 16,408	-\$ 17,662	-\$ 7,885	-\$ 9,777
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	-\$ 148,825	-\$ 1,418	-\$ 147,407	-\$ 99,859	-	0.00%	60.00	1.67%	\$ -	-\$ 2,457	-\$ 832	-\$ 3,289	-\$ 4,070	-\$ 781
2440	Deferred Revenue - UG Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 266,848	-	0.00%	25.00	4.00%	\$ -	\$ -	-\$ 5,337	-\$ 5,337	-\$ 7,121	-\$ 1,784
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	-\$ 305,548	-\$ 22,565	-\$ 282,983	\$ 116,888	-	0.00%	40.00	2.50%	\$ -	-\$ 7,075	-\$ 1,461	-\$ 8,536	-\$ 8,434	-\$ 101
2440	Deferred Revenue - Spars Transformer	\$ -	\$ -	\$ -	-\$ 85,896	\$ -	-\$ 85,896	\$ 14,559	-	0.00%	30.00	3.33%	\$ -	-\$ 2,863	-\$ 243	-\$ 3,106	-\$ 2,965	-\$ 121
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	-\$ 13,004	\$ -	-\$ 13,004	\$ 3,773	-	0.00%	25.00	4.00%	\$ -	\$ -	-\$ 520	-\$ 75	-\$ 596	-\$ 362
	Total	\$ 173,924,302	\$ 3,829,067	\$ 170,095,235	\$ 47,688,996	\$ 258,781	\$ 47,430,215	\$ 24,427,980					\$ 6,972,895	\$ 2,617,707	\$ 1,254,282	\$ 10,844,884	\$ 13,421,896	\$ 2,577,012
Column g will not total additions due to Smart Meter Disposition																		

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

- Notes:**
- 1 expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
 - 2 the prior year plus the prior year's additions.
 - 3 A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
 - 4 The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
 - 5 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
 - 6 The applicant must provide an explanation of material variances in evidence.
 - 7 This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
 - 8 This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - AA

2015 Actual - Depreciation and Amortization Expenses

Board Appendix 2-CH

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2015	MFRS

		Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁶
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁶	
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 583,018	\$ 303,604	\$ 11,343,526	\$ -	\$ 11,343,526	\$ 1,509,946	1.55	64.52%	5.00	20.00%	\$ 195,874	\$ 2,268,705	\$ 150,995	\$ 2,615,573	\$ 2,502,525	\$ 113,048	
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,796,790	\$ -	\$ 11,796,790	\$ -	9.35	10.70%	10.00	10.00%	\$ -	\$ 1,179,679	\$ -	\$ 1,179,679	\$ 1,094,803	\$ 84,876	
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 100,519	\$ 27,393	\$ 73,127	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 32,650	\$ -	\$ 32,650	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ 0	
1808	Buildings - Roof	\$ 7,385	\$ 1,305	\$ 6,080	\$ -	\$ -	\$ -	\$ -	7.41	13.50%	20.00	5.00%	\$ 820	\$ -	\$ -	\$ 820	\$ 812	\$ 8	
1808	Buildings - Structure	\$ 24,725	\$ 3,276	\$ 21,448	\$ 6,548	\$ -	\$ 6,548	\$ -	39.00	2.56%	50.00	2.00%	\$ 550	\$ 131	\$ -	\$ 681	\$ 713	\$ 32	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 581,565	\$ 32,881	
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ 539,117	\$ 37,124	\$ 21,484	\$ -	\$ 21,484	\$ -	1.00	100.00%	8.00	12.50%	\$ 37,124	\$ 2,686	\$ -	\$ 39,809	\$ 8,351	\$ 31,458	
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ -	\$ -	\$ -	\$ -	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ -	\$ -	\$ 129,466	\$ 150,507	\$ 21,041	
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ -	\$ -	\$ -	\$ 29,865	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ -	\$ 332	\$ 321,785	\$ 386,799	\$ 65,014	
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,532	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ -	\$ -	\$ -	\$ 30,248	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ -	\$ 336	\$ 34,679	\$ 32,084	\$ 2,595	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 53,729	\$ 31,921,431	\$ 4,549,872	\$ 5,506	\$ 4,544,366	\$ 2,546,179	37.68	2.65%	45.00	2.22%	\$ 847,172	\$ 100,986	\$ 28,291	\$ 976,449	\$ 989,134	\$ 12,685	
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 1,810,291	\$ -	\$ 1,810,291	\$ 748,061	-	0.00%	50.00	2.00%	\$ -	\$ 36,206	\$ 7,481	\$ 43,686	\$ 44,476	\$ 790	
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	0.00%	80.00	1.25%	-	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$ 6	\$ -	
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 148,611	\$ 3,187,994	\$ 1,721,760	\$ 20,082	\$ 1,701,678	\$ 1,648,262	36.36	2.75%	45.00	2.22%	\$ 87,679	\$ 37,815	\$ 18,314	\$ 143,808	\$ 137,660	\$ 6,148	
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 10,694,464	\$ 13,522	\$ 10,680,941	\$ 4,557,373	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 178,016	\$ 37,978	\$ 522,903	\$ 516,060	\$ 6,843	
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 3,109,556	\$ -	\$ 3,109,556	\$ 1,442,969	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 103,652	\$ 24,049	\$ 371,922	\$ 366,184	\$ 5,738	
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 6,286,472	\$ -	\$ 6,286,472	\$ 4,377,622	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 157,162	\$ 54,720	\$ 641,284	\$ 663,081	\$ 21,797	
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 2,287,786	\$ -	\$ 2,287,786	\$ 471,332	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 45,756	\$ 4,713	\$ 543,816	\$ 555,864	\$ 12,047	
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1850	Line Transformers	\$ 32,430,143	\$ 1,073,999	\$ 31,356,144	\$ 7,876,975	\$ 79,584	\$ 7,797,390	\$ 3,187,833	30.68	3.26%	40.00	2.50%	\$ 1,022,039	\$ 194,935	\$ 39,848	\$ 1,256,821	\$ 1,267,422	\$ 10,601	
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 4,359,112	\$ -	\$ 4,359,112	\$ 634,973	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 72,652	\$ 5,291	\$ 135,683	\$ 134,837	\$ 846	
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 1,491,858	\$ -	\$ 1,491,858	\$ 686,748	-	0.00%	35.00	2.86%	\$ -	\$ 42,625	\$ 9,811	\$ 52,435	\$ 54,569	\$ 2,134	
1860	Meters	\$ 2,734,088	\$ 1,377,164	\$ 1,356,924	\$ 149,446	\$ 7,694	\$ 141,752	\$ 36,540	8.53	11.72%	25.00	4.00%	\$ 159,077	\$ 5,670	\$ 731	\$ 165,478	\$ 86,798	\$ 78,680	
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,370,055	\$ -	\$ 1,370,055	\$ -	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 91,337	\$ -	\$ 162,294	\$ 154,206	\$ 8,087	
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 160,983	\$ 5,460,806	\$ 3,367,926	\$ 116,372	\$ 3,251,554	\$ 370,911	14.32	6.98%	15.00	6.67%	\$ 381,341	\$ 216,770	\$ 12,364	\$ 610,475	\$ 715,493	\$ 105,018	
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 188,226	\$ 238,056	\$ 733,268	\$ -	\$ 733,268	\$ 127,281	4.83	20.70%	10.00	10.00%	\$ 49,287	\$ 73,327	\$ 6,364	\$ 128,978	\$ 108,185	\$ 20,793	
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 355,377	\$ -	\$ 355,377	\$ 9,700	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 17,769	\$ 243	\$ 421,748	\$ 426,337	\$ 4,589	
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 596,103	\$ -	\$ 596,103	\$ -	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 11,922	\$ -	\$ 338,673	\$ 339,037	\$ 365	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 30,161	\$ 358,681	\$ 214,617	\$ -	\$ 214,617	\$ 1,395	7.06	14.16%	10.00	10.00%	\$ 50,805	\$ 21,462	\$ 70	\$ 72,336	\$ 69,397	\$ 2,940	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 546,150	\$ 1,406,938	\$ 1,120,100	\$ -	\$ 1,120,100	\$ 300,143	3.14	31.85%	5.00	20.00%	\$ 448,069	\$ 224,020	\$ 30,014	\$ 702,104	\$ 402,783	\$ 299,321	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	\$ 2,134	
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 19,579	\$ 3	\$ 19,575	\$ -	-	0.00%	7.00	14.29%	\$ -	\$ 2,796	\$ -	\$ 2,796	\$ 2,796	\$ 0	
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2	\$ 1	-	0.00%	9.00	11.11%	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 35,479	\$ -	\$ 35,479	\$ 9,189	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 2,365	\$ 306	\$ 18,249	\$ 18,531	\$ 282	
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 24,511	\$ 1,080,558	\$ 23,727	\$ -	\$ 23,727	\$ -	18.09	5.53%	20.00	5.00%	\$ 59,732	\$ 1,186	\$ -	\$ 60,919	\$ 109,082	\$ 48,163	
1935	Stores Equipment	\$ 19,276	\$ -	\$ 19,276	\$ 144,012	\$ -	\$ 144,012	\$ 4,747	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ 14,401	\$ 237	\$ 16,694	\$ 16,966	\$ 272	
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 23,440	\$ 36,544	\$ 284,283	\$ -	\$ 284,283	\$ 57,656	4.50	22.22%	10.00	10.00%	\$ 8,121	\$ 28,428	\$ 2,883	\$ 39,432	\$ 37,576	\$ 1,856	

1945	Measurement & Testing Equipment	\$ 21,867	\$ 21,867	\$ -	\$ 75,739	\$ -	\$ 75,739	\$ 3,741	-	0.00%	10.00	10.00%	\$ -	\$ 7,574	\$ 187	\$ 7,761	\$ 8,187	\$ 426
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ 280,811	\$ 588,945	\$ 667,858	\$ -	\$ 667,858	\$ 518,622	5.97	16.75%	15.00	6.67%	\$ 98,651	\$ 44,524	\$ 17,287	\$ 160,462	\$ 132,501	\$ 27,961
1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 362,155	\$ -	\$ 362,155	\$ 139,401	\$ -	\$ 139,401	\$ 29,518	6.99	14.31%	8.00	12.50%	\$ 51,811	\$ 17,425	\$ 1,845	\$ 71,081	\$ 69,845	\$ 1,235
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 301,523	\$ 732,306	\$ 144,834	\$ -	\$ 144,834	\$ 36,926	6.71	14.90%	10.00	10.00%	\$ 109,136	\$ 14,483	\$ 1,846	\$ 125,466	\$ 166,805	\$ 41,339
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	-\$ 1,872,280	\$ -	-\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	-\$ 44,877	\$ -	\$ -	-\$ 44,877	-\$ 44,964	-\$ 87
1995	Contributions & Grants - OH Conductor	-\$ 246,834	\$ -	-\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	-\$ 4,472	\$ -	\$ -	-\$ 4,472	-\$ 4,483	-\$ 11
1995	Contributions & Grants - UG Cable	-\$ 3,397,063	\$ -	-\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	-\$ 101,043	\$ -	\$ -	-\$ 101,043	-\$ 100,194	-\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Services	-\$ 1,089,101	\$ -	-\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	-\$ 19,345	\$ -	\$ -	-\$ 19,345	-\$ 19,348	-\$ 4
1995	Contributions & Grants - Transformers	-\$ 2,617,776	-\$ 5,373	-\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	-\$ 67,122	\$ -	\$ -	-\$ 67,122	-\$ 67,426	-\$ 304
1995	Contributions & Grants - Meters	-\$ 209,268	\$ -	-\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	-\$ 10,080	\$ -	\$ -	-\$ 10,080	-\$ 10,296	-\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	-\$ 765,595	\$ 6,666	-\$ 758,929	\$ 284,742	-	0.00%	45.00	2.22%	\$ -	-\$ 16,865	-\$ 3,164	-\$ 20,029	-\$ 21,598	-\$ 1,570
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	-\$ 74,348	\$ -	-\$ 74,348	\$ 40,592	-	0.00%	30.00	3.33%	\$ -	-\$ 2,478	-\$ 677	-\$ 3,155	-\$ 3,776	-\$ 622
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	-\$ 1,251,438	-\$ 14,277	-\$ 1,237,160	\$ 546,654	-	0.00%	60.00	1.67%	\$ -	-\$ 20,619	-\$ 4,555	-\$ 25,175	-\$ 27,756	-\$ 2,581
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	-\$ 137,403	\$ -	-\$ 137,403	\$ 128,540	-	0.00%	50.00	2.00%	\$ -	-\$ 2,748	-\$ 1,285	-\$ 4,033	-\$ 4,583	-\$ 549
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	-\$ 1,117,962	-\$ 27,487	-\$ 1,090,475	\$ 2,912,340	-	0.00%	40.00	2.50%	\$ -	-\$ 27,262	-\$ 36,404	-\$ 63,666	-\$ 85,069	-\$ 21,403
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	-\$ 1,022,076	-\$ 586	-\$ 1,021,489	\$ 134,938	-	0.00%	30.00	3.33%	\$ -	-\$ 34,050	-\$ 2,249	-\$ 36,299	-\$ 38,299	-\$ 2,001
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	-\$ 247,265	-\$ 21,640	-\$ 225,625	\$ 55,748	-	0.00%	60.00	1.67%	\$ -	-\$ 3,760	-\$ 465	-\$ 4,225	-\$ 4,580	-\$ 355
2440	Deferred Revenue - UG Service	\$ -	\$ -	\$ -	-\$ 266,848	-\$ 7,969	-\$ 258,879	\$ 261,017	-	0.00%	25.00	4.00%	\$ -	-\$ 10,355	-\$ 5,220	-\$ 15,576	-\$ 11,510	-\$ 4,066
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	-\$ 399,871	-\$ 13,733	-\$ 386,138	\$ 634,830	-	0.00%	40.00	2.50%	\$ -	-\$ 9,653	-\$ 7,935	-\$ 17,589	-\$ 15,079	-\$ 2,510
2440	Deferred Revenue - Spars Transformer	\$ -	\$ -	\$ -	-\$ 100,456	-\$ 3,807	-\$ 96,649	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 3,222	\$ -	-\$ 3,222	-\$ 3,338	-\$ 116
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	-\$ 16,777	\$ -	-\$ 16,777	\$ 30,010	-	0.00%	25.00	4.00%	\$ -	-\$ 671	-\$ 600	-\$ 1,271	-\$ 1,951	-\$ 679
2440	Deferred Revenue - SCADA Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,053	-	0.00%	15.00	6.67%	\$ -	\$ -	-\$ 2,402	-\$ 2,402	-\$ 3,603	-\$ 1,201
Total		\$ 173,434,903	\$ 5,411,757	\$ 168,023,146	\$ 71,858,204	\$ 146,598	\$ 71,711,606	\$ 18,276,316					\$ 6,744,988	\$ 5,117,663	\$ 391,580	\$ 12,254,231	\$ 11,914,872	\$ 339,359

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

- Notes:**
- 1 expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
 - 2 the prior year plus the prior year's additions.
 - 3 A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
 - 4 The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinetics Report.
 - 5 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
 - 6 The applicant must provide an explanation of material variances in evidence.
 - 7 This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
 - 8 This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - AB

2016 Actual - Depreciation and Amortization Expenses

Board Appendix 2-CI

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected In Schedule Below	Accounting Standard Reflected In Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2016	MFRS

		Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, Column J		Variance ⁶
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense				
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o		
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 886,622	\$ -	\$ 12,853,471	\$ -	\$ 12,853,471	\$ 2,796,012	-	0.00%	5.00	20.00%	\$ -	\$ 2,570,694	\$ 279,601	\$ 2,850,296	\$ 2,762,695	-\$	87,601	
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,796,790	\$ -	\$ 11,796,790	\$ -	9.35	10.70%	10.00	10.00%	\$ -	\$ 1,179,679	\$ -	\$ 1,179,679	\$ 1,094,803	-\$	84,876	
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1805	Land	\$ 100,519	\$ 35,254	\$ 65,265	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 32,650	\$ -	\$ 32,650	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ -	0	
1808	Buildings - Roof	\$ 7,385	\$ 2,729	\$ 4,656	\$ -	\$ -	\$ -	\$ -	5.67	17.64%	20.00	5.00%	\$ 821	\$ -	\$ -	\$ 821	\$ 528	-\$	294	
1808	Buildings - Structure	\$ 24,725	\$ 3,276	\$ 21,448	\$ 6,548	\$ -	\$ 6,548	\$ -	33.83	2.96%	50.00	2.00%	\$ 634	\$ 131	\$ -	\$ 765	\$ 684	-\$	81	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 568,237	\$	19,553	
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ 539,117	\$ 37,124	\$ 21,484	\$ -	\$ 21,484	\$ -	1.00	100.00%	8.00	12.50%	\$ 37,124	\$ 2,686	\$ -	\$ 39,809	\$ 8,071	-\$	31,739	
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ -	\$ -	\$ -	\$ 762,495	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ -	\$ 8,472	\$ 137,938	\$ 162,381	\$	24,443	
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ 29,865	\$ -	\$ 29,865	\$ 333,573	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ 664	\$ 3,706	\$ 325,823	\$ 394,586	\$	68,763	
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,532	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ 30,248	\$ -	\$ 30,248	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ 672	\$ -	\$ 35,015	\$ 32,645	-\$	2,370	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 90,182	\$ 31,884,978	\$ 7,090,545	\$ -	\$ 7,090,545	\$ 785,855	37.64	2.66%	45.00	2.22%	\$ 847,104	\$ 157,568	\$ 8,732	\$ 1,013,403	\$ 1,023,514	\$	10,111	
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 2,558,352	\$ -	\$ 2,558,352	\$ 842,472	-	0.00%	50.00	2.00%	\$ -	\$ 51,167	\$ 8,425	\$ 59,592	\$ 55,677	-\$	3,915	
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	0.00%	80.00	1.25%	\$ -	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$	6		
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 207,929	\$ 3,128,676	\$ 3,349,940	\$ -	\$ 3,349,940	\$ 894,721	35.65	2.81%	45.00	2.22%	\$ 87,761	\$ 74,443	\$ 9,941	\$ 172,145	\$ 167,726	-\$	4,419	
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 15,238,314	\$ -	\$ 15,238,314	\$ 2,229,997	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 253,972	\$ 18,583	\$ 579,464	\$ 570,851	-\$	8,613	
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 4,552,524	\$ -	\$ 4,552,524	\$ 1,287,863	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 151,751	\$ 21,464	\$ 417,435	\$ 398,722	-\$	18,713	
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 10,664,094	\$ -	\$ 10,664,094	\$ 1,629,787	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 266,602	\$ 20,372	\$ 716,376	\$ 714,619	-\$	1,757	
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 2,759,118	\$ -	\$ 2,759,118	\$ 312,480	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 55,182	\$ 3,125	\$ 551,655	\$ 562,843	\$	11,188	
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1850	Line Transformers	\$ 32,430,143	\$ 1,073,999	\$ 31,356,144	\$ 10,985,223	\$ 87,344	\$ 10,897,879	\$ 2,494,975	30.50	3.28%	40.00	2.50%	\$ 1,028,070	\$ 272,447	\$ 31,187	\$ 1,331,704	\$ 1,322,011	-\$	9,693	
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 4,994,085	\$ -	\$ 4,994,085	\$ 672,615	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 83,235	\$ 5,605	\$ 146,580	\$ 144,165	-\$	2,415	
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 2,178,607	\$ -	\$ 2,178,607	\$ 633,846	-	0.00%	35.00	2.86%	\$ -	\$ 62,246	\$ 9,055	\$ 71,301	\$ 73,228	\$	1,927	
1860	Meters	\$ 2,734,088	\$ 1,382,192	\$ 1,351,897	\$ 178,292	\$ 6,008	\$ 172,284	\$ 37,038	8.47	11.81%	25.00	4.00%	\$ 159,610	\$ 6,891	\$ 741	\$ 167,242	\$ 87,816	-\$	79,426	
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,370,055	\$ -	\$ 1,370,055	\$ 41,344	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 91,337	\$ 1,378	\$ 165,672	\$ 156,962	-\$	6,709	
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 160,983	\$ 5,460,806	\$ 3,622,466	\$ 105,034	\$ 3,517,431	\$ 618,355	14.09	7.10%	15.00	6.67%	\$ 387,566	\$ 234,495	\$ 20,612	\$ 642,673	\$ 733,909	\$	91,236	
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 198,763	\$ 227,519	\$ 860,549	\$ -	\$ 860,549	\$ 245,582	4.83	20.70%	10.00	10.00%	\$ 47,105	\$ 86,055	\$ 12,279	\$ 145,439	\$ 130,644	-\$	14,796	
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 365,077	\$ -	\$ 365,077	\$ -	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 18,254	\$ -	\$ 421,990	\$ 426,337	\$	4,347	
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 596,103	\$ -	\$ 596,103	\$ -	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 11,922	\$ -	\$ 338,673	\$ 339,037	\$	365	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 42,359	\$ 346,483	\$ 216,012	\$ -	\$ 216,012	\$ 41,683	6.91	14.47%	10.00	10.00%	\$ 50,142	\$ 21,601	\$ 2,084	\$ 73,828	\$ 70,177	-\$	3,651	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 1,953,087	\$ -	\$ 1,420,243	\$ -	\$ 1,420,243	\$ 617,751	-	0.00%	5.00	20.00%	\$ -	\$ 284,049	\$ 61,775	\$ 345,824	\$ 391,565	\$	45,741	
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	-\$	2,134	
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 19,575	\$ 3	\$ 19,572	\$ 3,750	-	0.00%	7.00	14.29%	\$ -	\$ 2,796	\$ 268	\$ 3,064	\$ 3,166	\$	102	
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 3	\$ 1	\$ 2	\$ -	-	0.00%	9.00	11.11%	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	-	
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 44,667	\$ -	\$ 44,667	\$ -	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 2,978	\$ -	\$ 18,555	\$ 18,684	\$	129	
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 51,690	\$ 1,053,380	\$ 23,727	\$ -	\$ 23,727	\$ 11,358	17.98	5.56%	20.00	5.00%	\$ 58,596	\$ 1,186	\$ 284	\$ 60,056	\$ 82,134	-\$	22,078	
1935	Stores Equipment	\$ 19,276	\$ -	\$ 19,276	\$ 148,758	\$ -	\$ 148,758	\$ 43,551	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ 14,876	\$ 2,178	\$ 19,108	\$ 21,045	\$	1,937	
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 26,224	\$ 33,761	\$ 341,939	\$ -	\$ 341,939	\$ 131,441	4.28	23.36%	10.00	10.00%	\$ 7,888	\$ 34,194	\$ 6,572	\$ 48,654	\$ 46,960	-\$	1,694	

1945	Measurement & Testing Equipment	\$ 21,867	\$ 21,867	\$ -	\$ 79,480	\$ -	\$ 79,480	\$ 50,267	-	0.00%	10.00	10.00%	\$ -	\$ 7,948	\$ 2,513	\$ 10,461	\$ 10,164	\$ 297
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ 281,382	\$ 588,374	\$ 1,186,480	\$ -	\$ 1,186,480	\$ 432,448	5.97	16.75%	15.00	6.67%	\$ 98,555	\$ 79,099	\$ 14,415	\$ 192,069	\$ 159,021	\$ 33,047
1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 362,155	\$ 17,117	\$ 345,038	\$ 168,919	\$ -	\$ 168,919	\$ 35,301	6.79	14.73%	8.00	12.50%	\$ 50,816	\$ 21,115	\$ 2,206	\$ 74,137	\$ 73,279	\$ 858
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 434,364	\$ 599,465	\$ 181,761	\$ -	\$ 181,761	\$ 2,416	6.46	15.48%	10.00	10.00%	\$ 92,796	\$ 18,176	\$ 121	\$ 111,093	\$ 153,314	\$ 42,221
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	-\$ 1,872,280	\$ -	-\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	-\$ 44,877	\$ -	\$ -	-\$ 44,877	-\$ 44,964	-\$ 87
1995	Contributions & Grants - OH Conductor	-\$ 246,834	\$ -	-\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	-\$ 4,472	\$ -	\$ -	-\$ 4,472	-\$ 4,483	-\$ 11
1995	Contributions & Grants - UG Cable	-\$ 3,397,063	\$ -	-\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	-\$ 101,043	\$ -	\$ -	-\$ 101,043	-\$ 100,194	-\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Services	-\$ 1,089,101	\$ -	-\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	-\$ 19,345	\$ -	\$ -	-\$ 19,345	-\$ 19,348	-\$ 4
1995	Contributions & Grants - Transformers	-\$ 2,617,776	-\$ 5,373	-\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	-\$ 67,122	\$ -	\$ -	-\$ 67,122	-\$ 67,426	-\$ 304
1995	Contributions & Grants - Meters	-\$ 209,268	\$ -	-\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	-\$ 10,080	\$ -	\$ -	-\$ 10,080	-\$ 10,296	-\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	-\$ 1,043,671	\$ -	-\$ 1,043,671	\$ 34,352	-	0.00%	45.00	2.22%	\$ -	-\$ 23,193	-\$ 382	-\$ 23,574	-\$ 23,585	-\$ 11
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	-\$ 114,940	\$ -	-\$ 114,940	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 3,831	\$ -	-\$ 3,831	-\$ 3,862	-\$ 31
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	-\$ 1,783,814	-\$ 3,495	-\$ 1,780,319	-\$ 16,196	-	0.00%	60.00	1.67%	\$ -	-\$ 29,672	-\$ 135	-\$ 29,807	-\$ 29,935	-\$ 128
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	-\$ 265,944	\$ -	-\$ 265,944	-\$ 16,830	-	0.00%	50.00	2.00%	\$ -	-\$ 5,319	-\$ 168	-\$ 5,487	-\$ 5,543	-\$ 56
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	-\$ 4,002,815	-\$ 48,454	-\$ 3,954,361	-\$ 424,636	-	0.00%	40.00	2.50%	\$ -	-\$ 98,859	-\$ 5,308	-\$ 104,167	-\$ 107,105	-\$ 2,938
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	-\$ 1,156,428	\$ -	-\$ 1,156,428	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 38,548	\$ -	-\$ 38,548	-\$ 38,548	\$ 0
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	-\$ 281,373	-\$ 74	-\$ 281,299	-\$ 26,280	-	0.00%	60.00	1.67%	\$ -	-\$ 4,688	-\$ 219	-\$ 4,907	-\$ 4,968	-\$ 61
2440	Deferred Revenue - UG Service	\$ -	\$ -	\$ -	-\$ 519,896	-\$ 14,455	-\$ 505,441	-\$ 298,430	-	0.00%	25.00	4.00%	\$ -	-\$ 20,218	-\$ 5,969	-\$ 26,186	-\$ 20,852	-\$ 5,334
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	-\$ 1,020,968	-\$ 21,089	-\$ 999,880	-\$ 251,097	-	0.00%	40.00	2.50%	\$ -	-\$ 24,997	-\$ 3,139	-\$ 28,136	-\$ 26,609	-\$ 1,527
2440	Deferred Revenue - Spars Transformer	\$ -	\$ -	\$ -	-\$ 96,649	\$ -	-\$ 96,649	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 3,222	\$ -	-\$ 3,222	-\$ 3,222	-\$ 0
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	-\$ 46,788	\$ -	-\$ 46,788	89,063	-	0.00%	25.00	4.00%	\$ -	-\$ 1,872	-\$ 1,781	-\$ 3,653	-\$ 4,246	-\$ 593
2440	Deferred Revenue - SCADA Hardware	\$ -	\$ -	\$ -	-\$ 72,053	\$ -	-\$ 72,053	255	-	0.00%	15.00	6.67%	\$ -	-\$ 4,804	-\$ 9	-\$ 4,812	-\$ 4,811	-\$ 1
Total		\$ 173,434,903	\$ 7,435,610	\$ 165,999,293	\$ 89,987,922	\$ 110,823	\$ 89,877,099	\$ 16,831,839					\$ 6,092,280	\$ 5,893,772	\$ 538,587	\$ 12,524,639	\$ 12,472,959	\$ 51,680

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via. Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

- Notes:**
- 1 expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
 - 2 the prior year plus the prior year's additions.
 - 3 A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
 - 4 The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinetics Report.
 - 5 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
 - 6 The applicant must provide an explanation of material variances in evidence.
 - 7 This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
 - 8 This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - AC

2017 Actual - Depreciation and Amortization Expenses

Board Appendix 2-CJ

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies	Applicable Years and Accounting Standard	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.	This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).	2017	MFRS

Account	Description	Book Values						Service Lives				Depreciation Expense						Variance ⁴
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	
																	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 886,622	\$ -	\$ 15,649,484	\$ 606,672	\$ 15,042,812	\$ 1,151,932	-	0.00%	5.00	20.00%	\$ -	\$ 3,008,562	\$ 115,193	\$ 3,123,756	\$ 3,122,271	\$ 1,485
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,796,790	\$ -	\$ 11,796,790	\$ -	9.35	10.70%	10.00	10.00%	\$ -	\$ 1,179,679	\$ -	\$ 1,179,679	\$ 1,094,803	\$ 84,876
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1805	Land	\$ 100,519	\$ 56,985	\$ 43,534	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 32,650	\$ -	\$ 32,650	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ 0
1808	Buildings - Roof	\$ 7,385	\$ 2,729	\$ 4,656	\$ -	\$ -	\$ -	\$ -	5.67	17.64%	20.00	5.00%	\$ 821	\$ -	\$ -	\$ 821	\$ 527	\$ 294
1808	Buildings - Structure	\$ 24,725	\$ 3,590	\$ 21,134	\$ 6,548	\$ -	\$ 6,548	\$ 93,744	33.83	2.96%	50.00	2.00%	\$ 625	\$ 131	\$ 937	\$ 1,693	\$ 1,405	\$ 288
1810	Usefulhold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 560,230	\$ 11,546
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ 543,921	\$ 32,320	\$ 21,484	\$ -	\$ 21,484	\$ 26,343	1.00	100.00%	8.00	12.50%	\$ 32,320	\$ 2,686	\$ 1,646	\$ 36,652	\$ 9,389	\$ 27,263
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ 762,495	\$ -	\$ 762,495	\$ 76,437	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ 16,944	\$ 849	\$ 147,260	\$ 168,621	\$ 21,361
1815	Transformer Station Equipment >50 kV Ford Armes	\$ 10,566,158	\$ -	\$ 10,566,158	\$ 363,439	\$ -	\$ 363,439	\$ 499,116	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ 8,076	\$ 5,546	\$ 335,075	\$ 404,156	\$ 69,081
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,532	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ 30,248	\$ -	\$ 30,248	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ 672	\$ -	\$ 35,015	\$ 32,644	\$ 2,371
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 128,389	\$ 31,846,771	\$ 7,876,399	\$ 56,605	\$ 7,819,795	\$ 2,237,169	37.59	2.66%	45.00	2.22%	\$ 847,214	\$ 173,773	\$ 24,857	\$ 1,045,845	\$ 1,036,827	\$ 9,018
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 3,400,824	\$ -	\$ 3,400,824	\$ 823,291	-	0.00%	50.00	2.00%	\$ -	\$ 68,016	\$ 8,233	\$ 76,249	\$ 73,026	\$ 3,224
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	-	0.00%	80.00	1.25%	\$ -	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$ 6
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 244,558	\$ 3,092,047	\$ 4,244,661	\$ -	\$ 4,244,661	\$ 1,022,812	35.18	2.84%	45.00	2.22%	\$ 87,892	\$ 94,326	\$ 11,365	\$ 193,583	\$ 183,709	\$ 9,873
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 17,468,311	\$ -	\$ 17,468,311	\$ 2,056,408	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 291,139	\$ 17,137	\$ 615,184	\$ 611,160	\$ 4,024
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 5,840,388	\$ -	\$ 5,840,388	\$ 1,022,700	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 194,680	\$ 17,045	\$ 455,945	\$ 451,231	\$ 4,714
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 12,293,881	\$ -	\$ 12,293,881	\$ 1,561,690	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 307,347	\$ 19,521	\$ 756,270	\$ 774,777	\$ 18,507
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 3,071,597	\$ -	\$ 3,071,597	\$ 160,126	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 61,432	\$ 1,601	\$ 556,381	\$ 569,995	\$ 13,614
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1850	Line Transformers	\$ 32,430,143	\$ 1,162,201	\$ 31,267,942	\$ 13,392,854	\$ 30,543	\$ 13,362,312	\$ 2,248,524	30.39	3.29%	40.00	2.50%	\$ 1,028,889	\$ 334,058	\$ 28,107	\$ 1,391,054	\$ 1,543,162	\$ 152,108
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 5,666,701	\$ -	\$ 5,666,701	\$ 423,688	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 94,445	\$ 3,531	\$ 155,716	\$ 154,324	\$ 1,391
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 2,812,453	\$ -	\$ 2,812,453	\$ 338,989	-	0.00%	35.00	2.86%	\$ -	\$ 80,355	\$ 4,843	\$ 85,198	\$ 85,289	\$ 90
1860	Meters	\$ 2,734,088	\$ 1,384,188	\$ 1,349,900	\$ 209,322	\$ 1,426	\$ 207,896	\$ -	8.45	11.83%	25.00	4.00%	\$ 159,751	\$ 8,316	\$ -	\$ 168,067	\$ 86,619	\$ 81,448
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,411,399	\$ -	\$ 1,411,399	\$ -	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 94,093	\$ -	\$ 165,050	\$ 141,083	\$ 23,966
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 258,208	\$ 5,363,581	\$ 4,135,786	\$ 136,330	\$ 3,999,456	\$ 612,469	13.63	7.34%	15.00	6.67%	\$ 393,513	\$ 266,630	\$ 20,416	\$ 680,559	\$ 756,877	\$ 76,318
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 210,828	\$ 215,454	\$ 1,106,131	\$ -	\$ 1,106,131	\$ 247,336	4.55	21.98%	10.00	10.00%	\$ 47,353	\$ 110,613	\$ 12,367	\$ 170,333	\$ 146,761	\$ 23,571
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 365,077	\$ -	\$ 365,077	\$ 16,869	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 18,254	\$ 422	\$ 422,412	\$ 426,478	\$ 4,065
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 596,103	\$ -	\$ 596,103	\$ 6,328	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 11,922	\$ 63	\$ 338,736	\$ 339,122	\$ 386
1910	Usefulhold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 104,481	\$ 284,361	\$ 257,695	\$ -	\$ 257,695	\$ 34,123	5.96	16.78%	10.00	10.00%	\$ 47,712	\$ 25,770	\$ 1,706	\$ 75,187	\$ 59,144	\$ 16,043
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 1,953,087	\$ -	\$ 2,037,994	\$ 208,010	\$ 1,829,984	\$ 645,741	-	0.00%	5.00	20.00%	\$ -	\$ 365,997	\$ 64,574	\$ 430,571	\$ 491,852	\$ 61,281
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	\$ 2,134
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 23,322	\$ 2	\$ 23,320	\$ 2,548	-	0.00%	7.00	14.29%	\$ -	\$ 3,331	\$ 182	\$ 3,513	\$ 3,193	\$ 330
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2	\$ 2,713	-	0.00%	9.00	11.11%	\$ -	\$ 0	\$ 151	\$ 151	\$ 176	\$ 25
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 44,667	\$ -	\$ 44,667	\$ 12,153	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 2,978	\$ 405	\$ 18,960	\$ 18,887	\$ 73
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 423,718	\$ 681,351	\$ 35,085	\$ -	\$ 35,085	\$ 25,651	16.07	6.22%	20.00	5.00%	\$ 42,399	\$ 1,754	\$ 641	\$ 44,794	\$ 39,664	\$ 5,131
1935	Store Equipment	\$ 19,276	\$ -	\$ 19,276	\$ 192,309	\$ -	\$ 192,309	\$ 11,128	9.38	10.66%	10.00	10.00%	\$ 2,055	\$ 17,338	\$ 556	\$ 21,642	\$ 21,623	\$ 219
1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 26,224	\$ 33,761	\$ 473,380	\$ -	\$ 473,380	\$ 68,460	4.28	23.36%	10.00	10.00%	\$ 7,888	\$ 47,338	\$ 3,423	\$ 58,649	\$ 54,730	\$ 3,919
1945	Measurement & Testing Equipment	\$ 21,867	\$ 21,867	\$ -	\$ 129,747	\$ -	\$ 129,747	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 12,975	\$ -	\$ 12,975	\$ 12,975	\$ 0
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ 504,390	\$ 365,366	\$ 1,618,928	\$ -	\$ 1,618,928	\$ 496,217	4.58	21.83%	15.00	6.67%	\$ 79,774	\$ 107,929	\$ 16,541	\$ 204,243	\$ 151,321	\$ 52,922

Notes:

1 is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.

2 the prior year plus the prior year's additions.

3 A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A

4 The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transient to International Financial Reporting Standards, EB-2008-0408, and the Kinetics Report.

5 Board policy of the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

6 The applicant must provide an explanation of material variances in evidence.

7 This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change

8 This should include assets in column d (excel column F) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - AD

2018 Forecast - Depreciation and Amortization Expenses

Board Appendix 2-CK

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies		Applicable Years and Accounting Standard																	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.		This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).																	2018	MFRS
Account	Description	Book Values							Service Lives				Depreciation Expense						Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance \$
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense				
		a	b	c=a-b	d	e	f=d-e	g	h	i=1/h	j	k=1/j	l=c/h	m=l/j	n=g*0.5/j	o=l+m+n	p	q=p-o		
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 886,622	\$ -	\$ 16,194,744	\$ 462,764	\$ 15,731,980	\$ 1,175,000	-	0.00%	5.00	20.00%	\$ -	\$ 3,146,396	\$ 117,500	\$ 3,263,896	\$ 3,191,495	\$ 72,401		
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,796,790	\$ -	\$ 11,796,790	\$ -	9.35	10.70%	10.00	10.00%	\$ -	\$ 1,179,679	\$ -	\$ 1,179,679	\$ 1,094,803	\$ 84,876		
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1805	Land	\$ 100,519	\$ 56,985	\$ 43,534	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 32,650	\$ -	\$ 32,650	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ 0		
1808	Buildings - Roof	\$ 7,385	\$ 5,574	\$ 1,812	\$ -	\$ -	\$ -	\$ -	2.21	45.25%	20.00	5.00%	\$ 820	\$ -	\$ -	\$ 820	\$ 55	\$ 764		
1808	Buildings - Structure	\$ 24,725	\$ 3,590	\$ 21,134	\$ 100,291	\$ -	\$ 100,291	\$ 30,000	33.34	3.00%	50.00	2.00%	\$ 634	\$ 2,006	\$ 300	\$ 2,940	\$ 2,650	\$ 290		
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 558,693	\$ 10,009		
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ 576,240	\$ -	\$ 47,827	\$ -	\$ 47,827	\$ 51,504	-	0.00%	8.00	12.50%	\$ -	\$ 5,978	\$ 3,219	\$ 9,197	\$ 12,416	\$ 3,219		
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ 838,931	\$ -	\$ 838,931	\$ 476,496	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ 18,643	\$ 5,294	\$ 153,403	\$ 147,404	\$ 5,999		
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ 862,555	\$ -	\$ 862,555	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ 19,168	\$ -	\$ 340,621	\$ 390,668	\$ 50,047		
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,532	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ 30,248	\$ -	\$ 30,248	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ 672	\$ -	\$ 35,015	\$ 32,645	\$ 2,370		
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 128,389	\$ 31,846,771	\$ 10,056,964	\$ -	\$ 10,056,964	\$ 3,129,220	37.59	2.66%	45.00	2.22%	\$ 847,214	\$ 223,488	\$ 34,769	\$ 1,105,471	\$ 1,247,984	\$ 142,513		
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 4,224,115	\$ -	\$ 4,224,115	\$ -	-	0.00%	50.00	2.00%	\$ -	\$ 84,482	\$ -	\$ 84,482	\$ 78,436	\$ 6,046		
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	-	0.00%	80.00	1.25%	\$ -	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$ 6		
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 244,558	\$ 3,092,047	\$ 5,267,474	\$ -	\$ 5,267,474	\$ 958,866	35.18	2.84%	45.00	2.22%	\$ 87,892	\$ 117,055	\$ 10,654	\$ 215,601	\$ 203,272	\$ 12,330		
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 19,524,719	\$ -	\$ 19,524,719	\$ 1,806,210	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 325,412	\$ 15,052	\$ 647,373	\$ 777,678	\$ 130,305		
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 6,863,088	\$ -	\$ 6,863,088	\$ 700,000	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 228,770	\$ 11,667	\$ 484,657	\$ 485,013	\$ 356		
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 13,855,572	\$ -	\$ 13,855,572	\$ 297,250	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 346,389	\$ 3,716	\$ 779,507	\$ 808,937	\$ 29,430		
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 3,231,723	\$ -	\$ 3,231,723	\$ 170,000	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 64,634	\$ 1,700	\$ 559,682	\$ 573,076	\$ 13,395		
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1850	Line Transformers - Power	\$ 32,430,143	\$ 1,162,201	\$ 31,267,942	\$ 15,610,836	\$ -	\$ 15,610,836	\$ 1,160,020	30.39	3.29%	40.00	2.50%	\$ 1,028,889	\$ 390,271	\$ 14,500	\$ 1,433,660	\$ 1,398,883	\$ 34,777		
1850	Line Transformers - Submersible	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,000	-	0.00%	35.00	2.86%	\$ -	\$ -	\$ 5,143	\$ 5,143	\$ 2,965	\$ 2,177		
1850	Line Transformers - Padmount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	-	0.00%	40.00	2.50%	\$ -	\$ -	\$ 6,250	\$ 6,250	\$ 3,125	\$ 3,125		
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 6,090,388	\$ -	\$ 6,090,388	\$ 911,160	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 101,506	\$ 7,593	\$ 166,840	\$ 161,982	\$ 4,858		
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 3,151,441	\$ -	\$ 3,151,441	\$ 1,157,316	-	0.00%	35.00	2.86%	\$ -	\$ 90,041	\$ 16,533	\$ 106,574	\$ 100,043	\$ 6,531		
1860	Meters	\$ 2,734,088	\$ 1,384,188	\$ 1,349,900	\$ 207,896	\$ -	\$ 207,896	\$ 61,250	8.45	11.83%	25.00	4.00%	\$ 159,751	\$ 8,316	\$ 1,225	\$ 169,292	\$ 89,750	\$ 79,543		
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,411,399	\$ -	\$ 1,411,399	\$ -	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 94,093	\$ -	\$ 165,050	\$ 141,084	\$ 23,966		
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 258,208	\$ 5,363,581	\$ 4,611,926	\$ -	\$ 4,611,926	\$ 932,234	13.63	7.34%	15.00	6.67%	\$ 393,513	\$ 307,462	\$ 31,074	\$ 732,049	\$ 790,281	\$ 58,232		
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 254,698	\$ 171,584	\$ 1,353,467	\$ -	\$ 1,353,467	\$ 130,500	4.55	21.98%	10.00	10.00%	\$ 37,711	\$ 135,347	\$ 6,525	\$ 179,583	\$ 157,866	\$ 21,716		
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 381,946	\$ -	\$ 381,946	\$ 15,000	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 19,097	\$ 375	\$ 423,209	\$ 427,556	\$ 4,347		
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 602,431	\$ -	\$ 602,431	\$ 10,000	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 12,409	\$ 100	\$ 338,899	\$ 339,214	\$ 315		
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 164,506	\$ 224,336	\$ 291,818	\$ -	\$ 291,818	\$ 165,000	4.91	20.37%	10.00	10.00%	\$ 45,690	\$ 29,182	\$ 8,250	\$ 83,121	\$ 57,607	\$ 25,514		
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 1,953,087	\$ -	\$ 2,475,725	\$ 306,267	\$ 2,169,458	\$ 573,000	-	0.00%	5.00	20.00%	\$ -	\$ 433,892	\$ 57,300	\$ 491,192	\$ 533,628	\$ 42,437		
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	\$ 2,134		
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 25,867	\$ 1	\$ 25,867	\$ 231,898	-	0.00%	7.00	14.29%	\$ -	\$ 3,695	\$ 16,564	\$ 20,259	\$ 23,770	\$ 3,511		
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 2,715	\$ -	\$ 2,715	\$ 545,000	-	0.00%	9.00	11.11%	\$ -	\$ 302	\$ 30,278	\$ 30,579	\$ 15,441	\$ 15,139		
1930	Transportation Equipment Class 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,019	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ 351	\$ 351	\$ 702	\$ 351		
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 56,821	\$ -	\$ 56,821	\$ 40,000	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 3,788	\$ 1,333	\$ 20,699	\$ 20,161	\$ 538		
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 516,275	\$ 588,794	\$ 60,736	\$ -	\$ 60,736	\$ -	15.49	6.46%	20.00	5.00%	\$ 38,011	\$ 3,037	\$ -	\$ 41,048	\$ 27,397	\$ 13,651		
1935	Stores Equipment	\$ 19,276	\$ 2,307	\$ 16,969	\$ 203,437	\$ -	\$ 203,437	\$ 72,500	8.55	11.70%	10.00	10.00%	\$ 1,985	\$ 20,344	\$ 3,625	\$ 25,953	\$ 23,846	\$ 2,107		

1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 40,771	\$ 19,213	\$ 541,840	\$ -	\$ 541,840	\$ 93,500	2.65	37.74%	10.00	10.00%	\$ 7,250	\$ 54,184	\$ 4,675	\$ 66,109	\$ 58,297	\$ 7,813
1945	Measurement & Testing Equipment	\$ 21,867	\$ 21,867	\$ -	\$ 129,747	\$ -	\$ 129,747	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 12,975	\$ -	\$ 12,975	\$ 12,975	\$ 0
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ 510,458	\$ 359,298	\$ 2,115,145	\$ -	\$ 2,115,145	\$ 240,000	4.53	22.08%	15.00	6.67%	\$ 79,315	\$ 141,010	\$ 8,000	\$ 228,325	\$ 185,333	\$ 42,992
1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 362,155	\$ 186,587	\$ 175,568	\$ 204,220	\$ -	\$ 204,220	\$ -	3.57	28.01%	8.00	12.50%	\$ 49,179	\$ 25,528	\$ -	\$ 74,706	\$ 36,150	\$ 38,556
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 637,816	\$ 396,012	\$ 283,985	\$ -	\$ 283,985	\$ 413,000	5.32	18.80%	10.00	10.00%	\$ 74,438	\$ 28,398	\$ 20,650	\$ 123,487	\$ 129,475	\$ 5,988
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	\$ 1,872,280	\$ -	\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	\$ 44,877	\$ -	\$ -	\$ 44,877	\$ 44,964	\$ 87
1995	Contributions & Grants - OH Conductor	\$ 246,834	\$ -	\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	\$ 4,472	\$ -	\$ -	\$ 4,472	\$ 4,483	\$ 11
1995	Contributions & Grants - UG Cable	\$ 3,397,063	\$ -	\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	\$ 101,043	\$ -	\$ -	\$ 101,043	\$ 100,194	\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Services	\$ 1,089,101	\$ -	\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	\$ 19,345	\$ -	\$ -	\$ 19,345	\$ 19,348	\$ 4
1995	Contributions & Grants - Transformers	\$ 2,617,776	\$ 5,373	\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	\$ 67,122	\$ -	\$ -	\$ 67,122	\$ 67,426	\$ 304
1995	Contributions & Grants - Meters	\$ 209,268	\$ -	\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	\$ 10,080	\$ -	\$ -	\$ 10,080	\$ 10,296	\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	\$ 1,464,024	\$ -	\$ 1,464,024	\$ 145,717	-	0.00%	45.00	2.22%	\$ -	\$ 32,534	\$ 1,619	\$ 34,153	\$ 35,195	\$ 1,042
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	\$ 121,261	\$ -	\$ 121,261	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ 4,042	\$ -	\$ 4,042	\$ 4,073	\$ 31
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	\$ 2,429,099	\$ -	\$ 2,429,099	\$ 211,290	-	0.00%	60.00	1.67%	\$ -	\$ 40,485	\$ 1,761	\$ 42,246	\$ 44,181	\$ 1,935
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	\$ 311,848	\$ -	\$ 311,848	\$ -	-	0.00%	50.00	2.00%	\$ -	\$ 6,237	\$ -	\$ 6,237	\$ 10,667	\$ 4,430
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	\$ 4,858,190	\$ -	\$ 4,858,190	\$ 51,001	-	0.00%	40.00	2.50%	\$ -	\$ 121,455	\$ 638	\$ 122,092	\$ 124,707	\$ 2,615
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	\$ 1,327,428	\$ -	\$ 1,327,428	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ 44,248	\$ -	\$ 44,248	\$ 51,794	\$ 7,546
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	\$ 433,163	\$ -	\$ 433,163	\$ 203,715	-	0.00%	60.00	1.67%	\$ -	\$ 7,219	\$ 1,698	\$ 8,917	\$ 8,454	\$ 463
2440	Deferred Revenue - UG Service	\$ -	\$ -	\$ -	\$ 910,023	\$ -	\$ 910,023	\$ 1,000,000	-	0.00%	25.00	4.00%	\$ -	\$ 36,401	\$ 20,000	\$ 56,401	\$ 33,289	\$ 23,112
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	\$ 1,488,300	\$ -	\$ 1,488,300	\$ 276,863	-	0.00%	40.00	2.50%	\$ -	\$ 37,207	\$ 3,461	\$ 40,668	\$ 38,477	\$ 2,191
2440	Deferred Revenue - Spare Transformer	\$ -	\$ -	\$ -	\$ 96,649	\$ -	\$ 96,649	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ 3,222	\$ -	\$ 3,222	\$ 3,222	\$ 0
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	\$ 151,322	\$ -	\$ 151,322	\$ -	-	0.00%	25.00	4.00%	\$ -	\$ 6,053	\$ -	\$ 6,053	\$ 7,122	\$ 1,069
2440	Deferred Revenue - SCADA Hardware	\$ -	\$ -	\$ -	\$ 72,308	\$ -	\$ 72,308	\$ -	-	0.00%	15.00	6.67%	\$ -	\$ 4,821	\$ -	\$ 4,821	\$ 4,821	\$ 0
Total		\$ 173,434,903	\$ 9,021,401	\$ 164,413,502	\$ 119,505,161	\$ 769,032	\$ 118,736,129	\$ 14,524,357					\$ 5,987,939	\$ 7,366,245	\$ 415,040	\$ 13,769,227	\$ 13,760,799	\$ 8,428

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via, Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

Notes:

- column is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
- of the prior year plus the prior year's additions.
- A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
- The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
- This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - AE

2019 Bridge Year - Depreciation and Amortization Expenses

Board Appendix 2-CL

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies		Applicable Years and Accounting Standard																	Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below
Rebasing for the first time with depreciation policy changes made in 2012.		This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).																	2019	MFRS
Account	Description	Book Values							Service Lives				Depreciation Expense						Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance \$
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense				
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o		
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 886,622	\$ -	\$ 16,906,980	\$ 528,922	\$ 16,378,058	\$ 1,453,900	-	0.00%	5.00	20.00%	\$ -	\$ 3,275,612	\$ 145,390	\$ 3,421,002	\$ 1,738,839	\$ 1,682,163		
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ -	\$ -	\$ 11,796,790	\$ -	\$ 11,796,790	\$ -	9.35	10.70%	10.00	10.00%	\$ -	\$ 1,179,679	\$ -	\$ 1,179,679	\$ 1,094,803	\$ 84,876		
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1805	Land	\$ 100,519	\$ 56,985	\$ 43,534	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 32,650	\$ -	\$ 32,650	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ 0		
1808	Buildings - Roof	\$ 7,385	\$ 5,574	\$ 1,812	\$ -	\$ -	\$ -	\$ -	2.21	45.25%	20.00	5.00%	\$ 820	\$ -	\$ -	\$ 820	\$ 42	\$ 778		
1808	Buildings - Structure	\$ 24,725	\$ 3,590	\$ 21,134	\$ 130,291	\$ -	\$ 130,291	\$ -	33.34	3.00%	50.00	2.00%	\$ 634	\$ 2,606	\$ -	\$ 3,240	\$ 2,789	\$ 450		
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ -	\$ 6,458,012	\$ -	\$ -	\$ -	\$ -	11.77	8.50%	20.00	5.00%	\$ 548,684	\$ -	\$ -	\$ 548,684	\$ 488,320	\$ 60,364		
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ 576,240	\$ -	\$ -	\$ 99,331	\$ -	\$ 99,331	\$ -	0.00%	8.00	12.50%	\$ -	\$ 12,416	\$ -	\$ 12,416	\$ 12,193	\$ 224		
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ 1,315,427	\$ -	\$ 1,315,427	\$ 475,000	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ 29,232	\$ 5,278	\$ 163,976	\$ 155,616	\$ 8,360		
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ 862,555	\$ -	\$ 862,555	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ 19,168	\$ -	\$ 340,621	\$ 390,668	\$ 50,047		
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,532	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ 30,248	\$ -	\$ 30,248	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ 672	\$ -	\$ 35,015	\$ 32,645	\$ 2,370		
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 128,389	\$ 31,846,771	\$ 13,186,184	\$ -	\$ 13,186,184	\$ 4,691,500	37.59	2.66%	45.00	2.22%	\$ 847,214	\$ 293,026	\$ 52,128	\$ 1,192,368	\$ 1,320,747	\$ 128,379		
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 4,224,115	\$ -	\$ 4,224,115	\$ -	-	0.00%	50.00	2.00%	\$ -	\$ 84,482	\$ -	\$ 84,482	\$ 84,682	\$ 199		
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	-	0.00%	80.00	1.25%	\$ -	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$ 6		
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 244,558	\$ 3,092,047	\$ 6,226,340	\$ -	\$ 6,226,340	\$ 818,100	35.18	2.84%	45.00	2.22%	\$ 87,892	\$ 138,363	\$ 9,090	\$ 235,345	\$ 217,835	\$ 17,510		
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 21,330,929	\$ -	\$ 21,330,929	\$ 2,971,840	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 355,515	\$ 24,765	\$ 687,190	\$ 826,066	\$ 138,876		
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 7,563,088	\$ -	\$ 7,563,088	\$ 1,075,000	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 252,103	\$ 17,917	\$ 514,240	\$ 508,642	\$ 5,598		
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 14,152,822	\$ -	\$ 14,152,822	\$ 511,020	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 353,821	\$ 6,388	\$ 789,610	\$ 816,380	\$ 26,770		
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 3,401,723	\$ -	\$ 3,401,723	\$ 170,000	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 68,034	\$ 1,700	\$ 563,082	\$ 575,619	\$ 12,537		
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1850	Line Transformers - Power	\$ 32,430,143	\$ 1,162,201	\$ 31,267,942	\$ 16,770,856	\$ -	\$ 16,770,856	\$ 2,756,480	30.39	3.29%	40.00	2.50%	\$ 1,028,889	\$ 419,271	\$ 34,456	\$ 1,482,617	\$ 1,445,677	\$ 36,940		
1850	Line Transformers - Submersible	\$ -	\$ -	\$ -	\$ 360,000	\$ -	\$ 360,000	\$ 690,000	-	0.00%	35.00	2.86%	\$ -	\$ 10,286	\$ 9,657	\$ 20,143	\$ 15,394	\$ 4,749		
1850	Line Transformers - Padmount	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 280,000	-	0.00%	40.00	2.50%	\$ -	\$ 12,500	\$ 3,500	\$ 16,000	\$ 9,750	\$ 6,250		
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 7,001,548	\$ -	\$ 7,001,548	\$ 1,128,060	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 116,692	\$ 9,401	\$ 183,833	\$ 176,265	\$ 7,569		
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 4,308,757	\$ -	\$ 4,308,757	\$ 930,000	-	0.00%	35.00	2.86%	\$ -	\$ 123,107	\$ 13,286	\$ 136,393	\$ 121,332	\$ 15,061		
1860	Meters	\$ 2,734,088	\$ 1,384,188	\$ 1,349,900	\$ 269,146	\$ -	\$ 269,146	\$ -	8.45	11.83%	25.00	4.00%	\$ 159,751	\$ 10,766	\$ -	\$ 170,517	\$ 90,935	\$ 79,582		
1860	Meters - Wholesale	\$ 740,786	\$ -	\$ 740,786	\$ 1,411,399	\$ -	\$ 1,411,399	\$ -	10.44	9.58%	15.00	6.67%	\$ 70,957	\$ 94,093	\$ -	\$ 165,050	\$ 141,083	\$ 23,966		
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 258,208	\$ 5,363,581	\$ 5,544,160	\$ -	\$ 5,544,160	\$ 1,185,000	13.63	7.34%	15.00	6.67%	\$ 393,513	\$ 369,611	\$ 39,500	\$ 802,624	\$ 844,010	\$ 41,386		
1905	Land	\$ 1,322,514	\$ -	\$ 1,322,514	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 259,745	\$ 166,537	\$ 1,483,967	\$ -	\$ 1,483,967	\$ 253,500	4.55	21.99%	10.00	10.00%	\$ 36,602	\$ 148,397	\$ 12,675	\$ 197,673	\$ 172,317	\$ 25,356		
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ -	\$ 3,839,535	\$ 396,946	\$ -	\$ 396,946	\$ 30,000	9.51	10.52%	20.00	5.00%	\$ 403,737	\$ 19,847	\$ 750	\$ 424,334	\$ 428,430	\$ 4,097		
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ -	\$ 12,929,524	\$ 612,431	\$ -	\$ 612,431	\$ 1,690,000	39.57	2.53%	50.00	2.00%	\$ 326,751	\$ 12,249	\$ 16,900	\$ 355,899	\$ 356,164	\$ 265		
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,330	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ 18,267	\$ 18,267	\$ 3,750		
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 264,031	\$ 124,811	\$ 456,818	\$ -	\$ 456,818	\$ 250,000	2.89	34.60%	10.00	10.00%	\$ 43,187	\$ 45,682	\$ 12,500	\$ 101,369	\$ 62,791	\$ 38,578		
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 1,953,087	\$ -	\$ 2,742,458	\$ 224,787	\$ 2,517,672	\$ 551,500	-	0.00%	5.00	20.00%	\$ -	\$ 503,534	\$ 55,150	\$ 558,684	\$ 526,854	\$ 31,831		
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 25,610	\$ 2,134		
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 257,765	\$ 2	\$ 257,763	\$ 786,165	-	0.00%	7.00	14.29%	\$ -	\$ 36,823	\$ 56,155	\$ 92,978	\$ 87,613	\$ 5,365		
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 547,715	\$ -	\$ 547,715	\$ 1,198,939	-	0.00%	9.00	11.11%	\$ -	\$ 60,857	\$ 66,608	\$ 127,465	\$ 97,187	\$ 30,278		
1930	Transportation Equipment Class 8	\$ -	\$ -	\$ -	\$ 7,019	\$ -	\$ 7,019	\$ 361,704	-	0.00%	10.00	10.00%	\$ -	\$ 702	\$ 18,085	\$ 18,787	\$ 18,787	\$ 0		
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 96,821	\$ -	\$ 96,821	\$ -	12.22	8.18%	15.00	6.67%	\$ 15,578	\$ 6,455	\$ -	\$ 22,032	\$ 20,776	\$ 1,257		
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 516,275	\$ 588,794	\$ 60,736	\$ -	\$ 60,736	\$ -	15.49	6.46%	20.00	5.00%	\$ 38,011	\$ 3,037	\$ -	\$ 41,048	\$ 27,397	\$ 13,651		
1935	Stores Equipment	\$ 19,276	\$ 3,830	\$ 15,446	\$ 275,937	\$ -	\$ 275,937	\$ 70,500	7.95	12.58%	10.00	10.00%	\$ 1,943	\$ 27,594	\$ 3,525	\$ 33,062	\$ 29,051	\$ 4,010		

1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 59,985	\$ -	\$ 635,340	\$ -	\$ 635,340	\$ 190,500	-	0.00%	10.00	10.00%	\$ -	\$ 63,534	\$ 9,525	\$ 73,059	\$ 69,089	\$ 3,970
1945	Measurement & Testing Equipment	\$ 21,867	\$ 21,867	\$ -	\$ 129,747	\$ -	\$ 129,747	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 12,975	\$ -	\$ 12,975	\$ 12,975	\$ 0
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ 510,458	\$ 359,298	\$ 2,355,145	\$ -	\$ 2,355,145	\$ 595,000	4.53	22.08%	15.00	6.67%	\$ 79,315	\$ 157,010	\$ 19,833	\$ 256,158	\$ 209,167	\$ 46,992
1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 362,155	\$ 362,155	\$ -	\$ 204,220	\$ 7,957	\$ 196,263	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ 24,533	\$ -	\$ 24,533	\$ 27,606	\$ 3,073
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 775,766	\$ 258,062	\$ 696,985	\$ -	\$ 696,985	\$ 500,000	4.56	21.93%	10.00	10.00%	\$ 56,593	\$ 69,698	\$ 25,000	\$ 151,291	\$ 148,035	\$ 3,257
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Poles	\$ 1,872,280	\$ -	\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	\$ 44,877	\$ -	\$ -	\$ 44,877	\$ 44,964	\$ 87
1995	Contributions & Grants - OH Conductor	\$ 246,834	\$ -	\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	\$ 4,472	\$ -	\$ -	\$ 4,472	\$ 4,483	\$ 11
1995	Contributions & Grants - UG Cable	\$ 3,397,063	\$ -	\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	\$ 101,043	\$ -	\$ -	\$ 101,043	\$ 100,194	\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants - Services	\$ 1,089,101	\$ -	\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	\$ 19,345	\$ -	\$ -	\$ 19,345	\$ 19,348	\$ 4
1995	Contributions & Grants - Transformers	\$ 2,617,776	\$ 5,373	\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	\$ 67,122	\$ -	\$ -	\$ 67,122	\$ 67,426	\$ 304
1995	Contributions & Grants - Meters	\$ 209,268	\$ -	\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	\$ 10,080	\$ -	\$ -	\$ 10,080	\$ 10,296	\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	\$ 1,609,741	\$ -	\$ 1,609,741	\$ 881,000	-	0.00%	45.00	2.22%	\$ -	\$ 35,772	\$ 9,789	\$ 45,561	\$ 45,130	\$ 431
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	\$ 121,261	\$ -	\$ 121,261	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ 4,042	\$ -	\$ 4,042	\$ 4,073	\$ 31
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	\$ 2,640,389	\$ -	\$ 2,640,389	\$ 1,277,450	-	0.00%	60.00	1.67%	\$ -	\$ 44,006	\$ 10,645	\$ 54,652	\$ 54,789	\$ 137
2440	Deferred Revenue - Manholes	\$ -	\$ -	\$ -	\$ 311,848	\$ -	\$ 311,848	\$ -	-	0.00%	50.00	2.00%	\$ -	\$ 6,237	\$ -	\$ 6,237	\$ 10,667	\$ 4,430
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	\$ 4,909,191	\$ -	\$ 4,909,191	\$ 308,350	-	0.00%	40.00	2.50%	\$ -	\$ 122,730	\$ 3,854	\$ 126,584	\$ 127,542	\$ 957
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	\$ 1,327,428	\$ -	\$ 1,327,428	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ 44,248	\$ -	\$ 44,248	\$ 51,794	\$ 7,546
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	\$ 636,878	\$ -	\$ 636,878	\$ 427,300	-	0.00%	60.00	1.67%	\$ -	\$ 10,615	\$ 3,561	\$ 14,175	\$ 12,735	\$ 1,440
2440	Deferred Revenue - UG Service	\$ -	\$ -	\$ -	\$ 1,910,023	\$ -	\$ 1,910,023	\$ 330,000	-	0.00%	25.00	4.00%	\$ -	\$ 76,401	\$ 6,600	\$ 83,001	\$ 44,832	\$ 38,168
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	\$ 1,765,162	\$ -	\$ 1,765,162	\$ 1,673,900	-	0.00%	40.00	2.50%	\$ -	\$ 44,129	\$ 20,924	\$ 65,053	\$ 57,110	\$ 7,942
2440	Deferred Revenue - Spare Transformer	\$ -	\$ -	\$ -	\$ 96,649	\$ -	\$ 96,649	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ 3,222	\$ -	\$ 3,222	\$ 3,222	\$ 0
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	\$ 151,322	\$ -	\$ 151,322	\$ -	-	0.00%	25.00	4.00%	\$ -	\$ 6,053	\$ -	\$ 6,053	\$ 7,122	\$ 1,069
2440	Deferred Revenue - SCADA Hardware	\$ -	\$ -	\$ -	\$ 72,308	\$ -	\$ 72,308	\$ -	-	0.00%	15.00	6.67%	\$ -	\$ 4,821	\$ -	\$ 4,821	\$ 4,821	\$ 0
Total		\$ 173,434,903	\$ 9,460,228	\$ 163,974,676	\$ 133,260,486	\$ 761,668	\$ 132,498,818	\$ 21,081,038					\$ 5,910,011	\$ 8,044,591	\$ 632,254	\$ 14,586,855	\$ 12,779,291	\$ 1,807,564

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via, Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

Notes:

- is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
- the prior year plus the prior year's additions.
- A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
- The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
- This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset



ATTACHMENT 4 - AF

2020 Test Year - Depreciation and Amortization Expenses

Board Appendix 2-CM

**Appendix 2-C
Depreciation and Amortization Expense**

Scenario that applies		Applicable Years and Accounting Standard																Year Reflected in Schedule Below	Accounting Standard Reflected in Schedule Below	
Rebasing for the first time with depreciation policy changes made in 2012.		This appendix must be duplicated and completed for the years 2012 to 2018. The appendix for 2012 is to be completed under CGAAP (prior to changes in depreciation policies). The appendix for 2012 to 2014 must be completed under Revised CGAAP (after changes in depreciation policies). The appendix for 2014 to 2018 is to be completed under MFRS (2014 if changes to MFRS are material).																2020	MFRS	
Account	Description	Book Values							Service Lives				Depreciation Expense						Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ⁶
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) ¹	Less Fully Depreciated ²	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ³	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ¹	Depreciation Rate Assets Acquired After Policy Change ⁴	Life of Assets Acquired After Policy Change ⁴	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense				
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = ch	m = 1/j	n = g*0.5/j	o = l+m+n	p	q = p-o		
1611	Computer Software (Formally known as Account 1925)	\$ 886,622	\$ 886,622	\$ -	\$ 17,831,958	\$ -	\$ 17,831,958	\$ 1,116,500	-	0.00%	5.00	20.00%	\$ -	\$ 3,566,392	\$ 111,650	\$ 3,678,042	\$ 1,423,809	\$ 2,254,232		
1611	Computer Software (Formally known as Account 1925)	\$ -	\$ 11,158,750	\$ 11,158,750	\$ 11,796,790	\$ -	\$ 11,796,790	\$ -	1.00	100.00%	10.00	10.00%	\$ 11,158,750	\$ 1,179,679	\$ -	\$ 9,979,070	\$ 384,254	\$ 10,363,325		
1612	Land Rights (Formally known as Account 1906)	\$ 30,889	\$ -	\$ 30,889	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1805	Land	\$ 100,519	\$ 56,985	\$ 43,534	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1808	Buildings - Fixtures	\$ -	\$ -	\$ -	\$ 32,650	\$ -	\$ 32,650	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ 0		
1808	Buildings - Roof	\$ 7,385	\$ 6,284	\$ 1,102	\$ -	\$ -	\$ -	\$ -	1.34	74.63%	20.00	5.00%	\$ 822	\$ -	\$ -	\$ 822	\$ 42	\$ 780		
1808	Buildings - Structure	\$ 24,725	\$ 3,590	\$ 21,134	\$ 130,291	\$ -	\$ 130,291	\$ -	33.34	3.00%	50.00	2.00%	\$ 634	\$ 2,606	\$ -	\$ 3,240	\$ 2,789	\$ 450		
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1815	Transformer Station Equipment >50 kV Protection Equip	\$ 6,458,012	\$ 2,290,970	\$ 4,167,042	\$ -	\$ -	\$ -	\$ -	8.78	11.39%	20.00	5.00%	\$ 474,606	\$ -	\$ -	\$ 474,606	\$ 316,107	\$ 158,499		
1815	Transformer Station Equipment >50 kV Batteries	\$ 576,240	\$ 576,240	\$ -	\$ 99,331	\$ 21,484	\$ 77,847	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ 9,731	\$ -	\$ 9,731	\$ 9,731	\$ 0		
1815	Transformer Station Equipment >50 kV Transformer Stations	\$ 4,629,707	\$ -	\$ 4,629,707	\$ 1,790,427	\$ -	\$ 1,790,427	\$ 275,000	35.76	2.80%	45.00	2.22%	\$ 129,466	\$ 39,787	\$ 3,056	\$ 172,309	\$ 163,949	\$ 8,360		
1815	Transformer Station Equipment >50 kV Ford Annex	\$ 10,566,158	\$ -	\$ 10,566,158	\$ 862,555	\$ -	\$ 862,555	\$ -	32.87	3.04%	45.00	2.22%	\$ 321,453	\$ 19,168	\$ -	\$ 340,621	\$ 390,668	\$ 50,047		
1820	Distribution Station Equipment <50 kV Batteries	\$ 3,532	\$ 3,532	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1820	Distribution Station Equipment <50 kV Transformer Stations	\$ 1,129,879	\$ -	\$ 1,129,879	\$ 30,248	\$ -	\$ 30,248	\$ -	32.90	3.04%	45.00	2.22%	\$ 34,343	\$ 672	\$ -	\$ 35,015	\$ 32,644	\$ 2,371		
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1830	Poles, Towers & Fixtures - Wood Poles	\$ 31,975,160	\$ 128,389	\$ 31,846,771	\$ 17,877,684	\$ -	\$ 17,877,684	\$ 4,808,940	37.59	2.66%	45.00	2.22%	\$ 847,214	\$ 397,282	\$ 53,433	\$ 1,297,928	\$ 1,426,307	\$ 128,379		
1830	Poles, Towers & Fixtures - Concrete Poles	\$ -	\$ -	\$ -	\$ 4,224,115	\$ -	\$ 4,224,115	\$ -	-	0.00%	50.00	2.00%	\$ -	\$ 84,482	\$ -	\$ 84,482	\$ 84,682	\$ 199		
1830	Poles, Towers & Fixtures - Composite Poles	\$ -	\$ -	\$ -	\$ 149,852	\$ -	\$ 149,852	\$ -	-	0.00%	80.00	1.25%	\$ -	\$ 1,873	\$ -	\$ 1,873	\$ 1,879	\$ 6		
1830	Poles, Towers & Fixtures - OH Switches	\$ 3,336,605	\$ 244,558	\$ 3,092,047	\$ 7,044,440	\$ -	\$ 7,044,440	\$ 461,780	35.18	2.84%	45.00	2.22%	\$ 87,892	\$ 156,543	\$ 5,131	\$ 249,566	\$ 232,056	\$ 17,510		
1830	Poles, Towers & Fixtures - OH Conductors	\$ 16,333,699	\$ -	\$ 16,333,699	\$ 24,302,769	\$ -	\$ 24,302,769	\$ 2,433,420	53.22	1.88%	60.00	1.67%	\$ 306,909	\$ 405,046	\$ 20,279	\$ 732,234	\$ 871,110	\$ 138,876		
1835	Overhead Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1840	Underground Conduit - UG Switches	\$ 5,299,579	\$ -	\$ 5,299,579	\$ 8,638,088	\$ -	\$ 8,638,088	\$ 1,275,000	21.70	4.61%	30.00	3.33%	\$ 244,220	\$ 287,936	\$ 21,250	\$ 553,407	\$ 547,808	\$ 5,598		
1840	Underground Conduit - UG Cable	\$ 12,748,937	\$ -	\$ 12,748,937	\$ 14,663,842	\$ -	\$ 14,663,842	\$ 862,000	29.69	3.37%	40.00	2.50%	\$ 429,402	\$ 366,596	\$ 10,775	\$ 806,773	\$ 831,913	\$ 25,140		
1840	Underground Conduit - Manholes	\$ 19,284,949	\$ -	\$ 19,284,949	\$ 3,571,723	\$ -	\$ 3,571,723	\$ 170,000	39.09	2.56%	50.00	2.00%	\$ 493,347	\$ 71,434	\$ 1,700	\$ 566,482	\$ 579,019	\$ 12,537		
1845	Underground Conductors & Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1850	Line Transformers - Power	\$ 32,430,143	\$ 1,162,201	\$ 31,267,942	\$ 19,527,336	\$ -	\$ 19,527,336	\$ 2,600,040	30.39	3.29%	40.00	2.50%	\$ 1,028,889	\$ 488,183	\$ 32,501	\$ 1,549,573	\$ 1,512,633	\$ 36,940		
1850	Line Transformers - Submersible	\$ -	\$ -	\$ -	\$ 1,050,000	\$ -	\$ 1,050,000	\$ 690,000	-	0.00%	35.00	2.86%	\$ -	\$ 30,000	\$ 9,857	\$ 39,857	\$ 35,108	\$ 4,749		
1850	Line Transformers - Padmount	\$ -	\$ -	\$ -	\$ 780,000	\$ -	\$ 780,000	\$ 255,000	-	0.00%	40.00	2.50%	\$ -	\$ 19,500	\$ 3,188	\$ 22,688	\$ 16,438	\$ 6,250		
1855	Services (Overhead)	\$ 3,397,428	\$ -	\$ 3,397,428	\$ 8,129,608	\$ -	\$ 8,129,608	\$ 1,173,820	58.84	1.70%	60.00	1.67%	\$ 57,740	\$ 135,493	\$ 9,782	\$ 203,015	\$ 195,447	\$ 7,569		
1855	Services (Underground)	\$ -	\$ -	\$ -	\$ 5,238,757	\$ -	\$ 5,238,757	\$ 705,000	-	0.00%	35.00	2.86%	\$ -	\$ 149,679	\$ 10,071	\$ 159,750	\$ 144,689	\$ 15,061		
1860	Meters	\$ 2,734,088	\$ 1,384,188	\$ 1,349,900	\$ 269,146	\$ -	\$ 269,146	\$ -	8.45	11.83%	25.00	4.00%	\$ 159,751	\$ 10,766	\$ -	\$ 170,517	\$ 90,935	\$ 79,582		
1860	Meters - Wholesale	\$ 740,786	\$ 144,056	\$ 596,730	\$ 1,411,399	\$ -	\$ 1,411,399	\$ 477,000	9.10	10.99%	15.00	6.67%	\$ 65,575	\$ 94,093	\$ 15,900	\$ 175,568	\$ 150,384	\$ 25,184		
1860	Meters (Smart Meters)	\$ 5,621,789	\$ 258,208	\$ 5,363,581	\$ 6,729,160	\$ -	\$ 6,729,160	\$ 1,230,000	13.63	7.34%	15.00	6.67%	\$ 393,513	\$ 448,611	\$ 41,000	\$ 883,124	\$ 924,509	\$ 41,386		
1905	Land	\$ 1,322,514	\$ 331,228	\$ 991,286	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1908	Buildings & Fixtures - Fixtures	\$ 426,282	\$ 298,990	\$ 127,292	\$ 1,737,467	\$ -	\$ 1,737,467	\$ 256,000	2.96	33.78%	10.00	10.00%	\$ 43,004	\$ 173,747	\$ 12,800	\$ 229,551	\$ 192,641	\$ 36,910		
1908	Buildings & Fixtures - Roof	\$ 3,839,535	\$ 3,693,565	\$ 145,970	\$ 426,946	\$ -	\$ 426,946	\$ 30,000	3.73	26.81%	20.00	5.00%	\$ 39,134	\$ 21,347	\$ 750	\$ 61,231	\$ 145,807	\$ 84,575		
1908	Buildings & Fixtures - Structure	\$ 12,929,524	\$ 595,482	\$ 12,334,042	\$ 2,302,431	\$ -	\$ 2,302,431	\$ 981,500	39.57	2.53%	50.00	2.00%	\$ 311,702	\$ 46,049	\$ 9,815	\$ 367,565	\$ 382,879	\$ 15,313		
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ 365,330	\$ -	\$ 365,330	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 36,533	\$ -	\$ 36,533	\$ 29,033	\$ 7,500		
1915	Office Furniture & Equipment (10 years)	\$ 388,842	\$ 346,149	\$ 42,693	\$ 706,818	\$ -	\$ 706,818	\$ 250,000	1.00	100.00%	10.00	10.00%	\$ 42,693	\$ 70,682	\$ 12,500	\$ 125,875	\$ 77,864	\$ 48,011		
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 28,141	\$ 28,141	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 19/07) 5 Year Useful Life	\$ 1,953,087	\$ 1,953,087	\$ -	\$ 3,069,172	\$ 674,775	\$ 2,394,397	\$ 602,500	-	0.00%	5.00	20.00%	\$ -	\$ 478,879	\$ 60,250	\$ 539,129	\$ 530,350	\$ 8,779		
1920	Computer Equip.-Hardware(Post Mar. 19/07) 10 Year Useful Life	\$ -	\$ -	\$ -	\$ 277,443	\$ -	\$ 277,443	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 27,744	\$ -	\$ 27,744	\$ 8,537	\$ 19,208		
1930	Transportation Equipment Classes 4 & 5	\$ -	\$ -	\$ -	\$ 1,043,928	\$ 4	\$ 1,043,924	\$ 458,400	-	0.00%	7.00	14.29%	\$ -	\$ 149,132	\$ 32,743	\$ 181,875	\$ 176,510	\$ 5,365		
1930	Transportation Equipment Class 7	\$ -	\$ -	\$ -	\$ 1,746,654	\$ -	\$ 1,746,654	\$ 1,356,176	-	0.00%	9.00	11.11%	\$ -	\$ 194,073	\$ 75,343	\$ 269,416	\$ 239,138	\$ 30,278		
1930	Transportation Equipment Class 8	\$ -	\$ -	\$ -	\$ 368,723	\$ -	\$ 368,723	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 36,872	\$ -	\$ 36,872	\$ 36,872	\$ 0		
1930	Transportation Equipment Class 9	\$ 190,357	\$ -	\$ 190,357	\$ 96,821	\$ 9,266	\$ 87,555	\$ -	11.78	8.49%	15.00	6.67%	\$ 16,159	\$ 5,837	\$ -	\$ 21,996	\$ 19,793	\$ 2,204		
1930	Transportation Equipment Specialty Equipment	\$ 1,105,069	\$ 516,275	\$ 588,794	\$ 60,736	\$ -	\$ 60,736	\$ -	15.49	6.46%	20.00	5.00%	\$ 38,011	\$ 3,037	\$ -	\$ 41,048	\$ 27,397	\$ 13,651		
1935	Stores Equipment	\$ 19,276	\$ 3,830	\$ 15,446	\$ 346,437	\$ -	\$ 346,437	\$ 74,500	7.95	12.58%	10.00	10.00%	\$ 1,943	\$ 34,644	\$ 3,725	\$ 40,312	\$ 36,171	\$ 4,140		

1940	Tools, Shop & Garage Equipment	\$ 59,985	\$ 59,985	\$ -	\$ 825,840	\$ -	\$ 825,840	\$ 105,500	-	0.00%	10.00	10.00%	\$ -	\$ 82,584	\$ 5,275	\$ 87,859	\$ 82,998	-\$ 4,861
1945	Measurement & Testing Equipment	\$ 21,867	\$ 21,867	\$ -	\$ 129,747	\$ -	\$ 129,747	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 12,975	\$ -	\$ 12,975	\$ 12,975	-\$ 0
1945	Measurement & Testing Equipment - SCADA Hardware & Software	\$ 869,756	\$ 510,458	\$ 359,298	\$ 2,950,145	\$ -	\$ 2,950,145	\$ 265,000	4.53	22.08%	15.00	6.67%	\$ 79,315	\$ 196,676	\$ 8,833	\$ 284,825	\$ 237,833	-\$ 46,992
1950	Power Operated Equipment	\$ 175	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1955	Communications Equipment	\$ 362,155	\$ 362,155	\$ -	\$ 196,263	\$ 51,209	\$ 145,053	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ 18,132	\$ -	\$ 18,132	\$ 20,089	\$ 1,958
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1960	Miscellaneous Equipment	\$ 1,033,828	\$ 927,328	\$ 106,502	\$ 1,196,985	\$ -	\$ 1,196,985	\$ 500,000	3.69	27.10%	10.00	10.00%	\$ 28,862	\$ 119,698	\$ 25,000	\$ 173,561	\$ 166,217	\$ 7,344
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1995	Contributions & Grants - Poles	-\$ 1,872,280	\$ -	-\$ 1,872,280	\$ -	\$ -	\$ -	\$ -	41.72	2.40%	45.00	2.22%	-\$ 44,877	\$ -	\$ -	-\$ 44,877	-\$ 44,964	-\$ 87
1995	Contributions & Grants - OH Conductor	-\$ 246,834	\$ -	-\$ 246,834	\$ -	\$ -	\$ -	\$ -	55.20	1.81%	60.00	1.67%	-\$ 4,472	\$ -	\$ -	-\$ 4,472	-\$ 4,483	-\$ 11
1995	Contributions & Grants - UG Cable	-\$ 3,397,063	\$ -	-\$ 3,397,063	\$ -	\$ -	\$ -	\$ -	33.62	2.97%	40.00	2.50%	-\$ 101,043	\$ -	\$ -	-\$ 101,043	-\$ 100,194	\$ 849
1995	Contributions & Grants - UG Switch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	30.00	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
1995	Contributions & Grants - Services	-\$ 1,089,101	\$ -	-\$ 1,089,101	\$ -	\$ -	\$ -	\$ -	56.30	1.78%	60.00	1.67%	-\$ 19,345	\$ -	\$ -	-\$ 19,345	-\$ 19,348	-\$ 4
1995	Contributions & Grants - Transformers	-\$ 2,617,776	-\$ 5,373	-\$ 2,612,403	\$ -	\$ -	\$ -	\$ -	38.92	2.57%	45.00	2.22%	-\$ 67,122	\$ -	\$ -	-\$ 67,122	-\$ 67,426	-\$ 304
1995	Contributions & Grants - Meters	-\$ 209,268	\$ -	-\$ 209,268	\$ -	\$ -	\$ -	\$ -	20.76	4.82%	25.00	4.00%	-\$ 10,080	\$ -	\$ -	-\$ 10,080	-\$ 10,296	-\$ 216
2005	Property Under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ -
2440	Deferred Revenue - Poles	\$ -	\$ -	\$ -	-\$ 2,490,741	\$ -	-\$ 2,490,741	\$ 526,200	-	0.00%	45.00	2.22%	\$ -	-\$ 55,350	-\$ 5,847	-\$ 61,196	-\$ 60,765	\$ 431
2440	Deferred Revenue - OH Switch	\$ -	\$ -	\$ -	-\$ 121,261	\$ -	-\$ 121,261	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 4,042	\$ -	-\$ 4,042	-\$ 4,073	-\$ 31
2440	Deferred Revenue - OH Conductor	\$ -	\$ -	\$ -	-\$ 3,917,839	\$ -	-\$ 3,917,839	\$ 762,990	-	0.00%	60.00	1.67%	\$ -	-\$ 65,297	-\$ 6,358	-\$ 71,656	-\$ 71,793	-\$ 137
2440	Deferred Revenue - Marholes	\$ -	\$ -	\$ -	-\$ 311,848	\$ -	-\$ 311,848	\$ -	-	0.00%	50.00	2.00%	\$ -	-\$ 6,237	\$ -	-\$ 6,237	-\$ 10,667	-\$ 4,430
2440	Deferred Revenue - UG Cable	\$ -	\$ -	\$ -	-\$ 5,217,541	\$ -	-\$ 5,217,541	\$ 184,170	-	0.00%	40.00	2.50%	\$ -	-\$ 130,439	-\$ 2,302	-\$ 132,741	-\$ 133,698	-\$ 957
2440	Deferred Revenue - UG Switch	\$ -	\$ -	\$ -	-\$ 1,327,428	\$ -	-\$ 1,327,428	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 44,248	\$ -	-\$ 44,248	-\$ 51,794	-\$ 7,546
2440	Deferred Revenue - OH Service	\$ -	\$ -	\$ -	-\$ 1,064,178	\$ -	-\$ 1,064,178	-\$ 323,860	-	0.00%	60.00	1.67%	\$ -	-\$ 17,736	-\$ 2,699	-\$ 20,435	-\$ 18,995	\$ 1,440
2440	Deferred Revenue - UG Service	\$ -	\$ -	\$ -	-\$ 2,240,023	\$ -	-\$ 2,240,023	-\$ 337,000	-	0.00%	25.00	4.00%	\$ -	-\$ 89,601	-\$ 6,740	-\$ 96,341	-\$ 54,361	\$ 41,980
2440	Deferred Revenue - Transformers	\$ -	\$ -	\$ -	-\$ 3,439,062	\$ -	-\$ 3,439,062	\$ 999,780	-	0.00%	40.00	2.50%	\$ -	-\$ 85,977	-\$ 12,497	-\$ 98,474	-\$ 86,618	\$ 11,656
2440	Deferred Revenue - Spare Transformer	\$ -	\$ -	\$ -	-\$ 96,649	\$ -	-\$ 96,649	\$ -	-	0.00%	30.00	3.33%	\$ -	-\$ 3,222	\$ -	-\$ 3,222	-\$ 3,222	-\$ 0
2440	Deferred Revenue - Meters	\$ -	\$ -	\$ -	-\$ 151,322	\$ -	-\$ 151,322	\$ -	-	0.00%	25.00	4.00%	\$ -	-\$ 6,053	\$ -	-\$ 6,053	-\$ 7,122	-\$ 1,069
2440	Deferred Revenue - Wholesale Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,000	-	0.00%	15.00	6.67%	\$ -	\$ -	-\$ 3,933	-\$ 3,933	\$ 3,933	\$ 0
2440	Deferred Revenue - SCADA Hardware	\$ -	\$ -	\$ -	-\$ 72,308	\$ -	-\$ 72,308	\$ -	-	0.00%	15.00	6.67%	\$ -	\$ -	-\$ 4,821	-\$ 4,821	\$ 4,821	\$ 0
	Total	\$ 173,434,903	\$ 27,947,911	\$ 145,486,992	\$ 153,579,856	\$ 756,738	\$ 152,823,118	\$ 20,161,076					-\$ 5,729,088	\$ 9,164,438	\$ 556,229	\$ 3,991,579	\$ 12,036,509	\$ 8,044,929

General: Applicants are to complete this appendix to show the reasonability of the depreciation expense that is included in rate base via, Accumulated depreciation and the revenue requirement.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Balances presented in the table should exclude asset retirement obligations (AROs) and the related depreciation and accretion expense. These should be disclosed separately consistent with the Notes of historical

Notes:

- column is expected to be used until the assets that existed as at the date of the utility's change in depreciation policies are fully depreciated.
- of the prior year plus the prior year's additions.
- A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding current year's additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1 of the year of policy changes, Asset A
- The useful life used should be consistent with the OEB's regulatory accounting policies as set out in the Accounting Procedures Handbook for Electricity Distributors, effective Jan. 1, 2012 and also with the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, and the Kinectrics Report.
- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This should include assets in column a (excel column C) that become fully depreciated since the date of the policy change. The amount input in b (excel column D) should equal the net book value of the asset as at the date of depreciation policy change
- This should include assets in column d (excel column f) that have become fully depreciated. The amount input in e (excel column G) should equal the gross book value of the asset