

## EXHIBIT 4 – OPERATING EXPENSES

2020 Cost of Service

Algoma Power Inc.  
EB-2019-0019

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## 4.1 OPERATING EXPENSES OVERVIEW

### 4.1.1 OVERVIEW OF OPERATING EXPENSES

The operating costs found in this Exhibit represent expenditures that are required to maintain and operate API's distribution system assets at the targeted levels of performance, to meet customer expectations, ensure public and employee safety and provide quality service. These operating costs are necessary to comply with the Distribution System Code, environmental requirements, and government direction. OM&A expenses consist of, but are not limited to: the required expenditures necessary to maintain and operate API's distribution system assets; the costs associated with metering, billing, and collecting from API's customers; the costs associated with ensuring the safety of all stakeholders; and costs to maintain distribution service quality and reliability.

API's 2020 Test Year operating costs are projected to be \$13,677,187, which represents an increase of \$1,372,306 from 2015 Board Approved Cost of Service or 11.2%. A summary of the changes from 2015 Board Approved to 2020 Test can be found in Table 1 below. Table 2 shows an excerpt of Appendix 2-JA from the Chapter 2 filing requirements.

**Table 1 – 2015 Board Approved Compared to 2020 Test OM&A**

|                                   | <b>2015 Board<br/>Approved</b> | <b>2020</b>         | <b>Diff</b>      |
|-----------------------------------|--------------------------------|---------------------|------------------|
| <i>Operations</i>                 | \$1,642,392                    | \$1,782,437         | 140,045          |
| <i>Maintenance</i>                | \$5,118,954                    | \$5,297,810         | 178,856          |
| <i>Billing and Collecting</i>     | \$1,090,942                    | \$995,414           | -95,528          |
| <i>Community Relations</i>        | \$22,102                       | \$96,558            | 74,456           |
| <i>Administrative and General</i> | \$4,430,491                    | \$5,504,968         | 1,074,477        |
| <b>Total</b>                      | <b>\$12,304,881</b>            | <b>\$13,677,187</b> | <b>1,372,306</b> |
| <i>%Change</i>                    |                                | 11.2%               |                  |

**Table 2 – OEB Appendix 2-JA Summary of Recoverable OM&A Expenses**

| <b>Reporting Basis</b>                                                | <b>MIFRS</b>                   | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        |
|-----------------------------------------------------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                       | <b>2015 Board<br/>Approved</b> | <b>2015</b>         | <b>2016</b>         | <b>2017</b>         | <b>2018</b>         | <b>2019</b>         | <b>2020</b>         |
| <i>Operations</i>                                                     | \$1,642,392                    | \$1,417,407         | \$1,296,572         | \$1,451,821         | \$1,566,232         | \$1,790,341         | \$1,782,437         |
| <i>Maintenance</i>                                                    | \$5,118,954                    | \$4,879,021         | \$5,064,915         | \$5,263,562         | \$5,145,408         | \$5,225,959         | \$5,297,810         |
| <b>SubTotal</b>                                                       | <b>\$6,761,346</b>             | <b>\$6,296,428</b>  | <b>\$6,361,487</b>  | <b>\$6,715,383</b>  | <b>\$6,711,640</b>  | <b>\$7,016,300</b>  | <b>\$7,080,247</b>  |
| <i>%Change (year<br/>over year)</i>                                   |                                | -6.9%               | 1.0%                | 5.6%                | -0.1%               | 4.5%                | 0.9%                |
| <i>%Change (Test<br/>Year vs<br/>Last Rebasing<br/>Year - Actual)</i> |                                |                     |                     |                     |                     |                     | 4.7%                |
| <i>Billing and<br/>Collecting</i>                                     | \$1,090,942                    | \$964,836           | \$875,602           | \$874,404           | \$919,935           | \$970,387           | \$995,414           |
| <i>Community<br/>Relations</i>                                        | \$22,102                       | \$24,430            | \$32,308            | \$47,552            | \$141,890           | \$94,552            | \$96,558            |
| <i>Administrative<br/>and<br/>General+LEAP</i>                        | \$4,430,491                    | \$4,529,865         | \$4,534,507         | \$4,494,382         | \$4,361,131         | \$4,843,215         | \$5,504,968         |
| <b>SubTotal</b>                                                       | <b>\$5,543,535</b>             | <b>\$5,519,131</b>  | <b>\$5,442,417</b>  | <b>\$5,416,338</b>  | <b>\$5,422,956</b>  | <b>\$5,908,154</b>  | <b>\$6,596,940</b>  |
| <i>%Change (year<br/>over year)</i>                                   |                                | -0.4%               | -1.4%               | -0.5%               | 0.1%                | 9.1%                | 11.7%               |
| <i>%Change (Test<br/>Year vs<br/>Last Rebasing<br/>Year - Actual)</i> |                                |                     |                     |                     |                     |                     | 19.0%               |
| <b>Total</b>                                                          | <b>\$12,304,881</b>            | <b>\$11,815,559</b> | <b>\$11,803,904</b> | <b>\$12,131,721</b> | <b>\$12,134,596</b> | <b>\$12,924,455</b> | <b>\$13,677,187</b> |
| <i>%Change (year<br/>over year)</i>                                   |                                | -4.0%               | -0.1%               | 2.8%                | 0.0%                | 6.5%                | 5.8%                |

1 Cost drivers related to the year over year variances in OM&A have been outlined in Section 4.2  
2 of this Exhibit. The primary drivers of the \$1,372,306 increase from 2015 Board Approved to  
3 2020 Test are:

- 4 • increased right of way maintenance program costs per Appendix 2-JC of approximately  
5 \$271,000;
- 6 • anticipated increased building lease costs in Sault Ste. Marie upon renewal in 2020 of  
7 approximately \$341,000;
- 8 • increased regulatory expenses in 2020 of \$155,000 due to a combination of additional  
9 recovery of costs associated with integration of Dubreuil Lumber Inc. as outlined in  
10 Sections 4.6.2 and 4.6.3, and 1/5 of estimated costs associated with this Application;
- 11 • increased shared service and corporate allocations per Appendix 2-N of \$431,000; and,  
12 • a \$258,000 vehicle depreciation credit that was included in 2015 Board Approved  
13 Administrative and General expenses, but was subsequently treated as a credit to  
14 depreciation per OEB direction.

15 Table 3 below shows an excerpt from Appendix 2-L of the Chapter 2 filing requirements.

16 Total OM&A per customer has increased from \$1,053 per customer in 2015 Board Approved to  
17 \$1,129 per customer in 2020 Test, an increase of \$76 per customer or 7.2%. This represents a  
18 compound annual growth rate of 1.4%, approximately in line with inflation.

19 Total OM&A per FTE has increased from \$166,282 per FTE in 2015 Board Approved to \$195,388  
20 per FTE in 2020 Test, an increase of \$29,106 per FTE or 17.5%. API notes that a large number of  
21 the 2015-2020 OM&A cost increases detailed in this Exhibit are not in any way related to FTE  
22 counts. These include items such as the acquisition and integration of DLI, rent increases and  
23 possible temporary relocation of staff due to expiry of its current lease, increased joint use rental  
24 costs, cybersecurity costs, and increased right of way fees. With little change in FTE count over

the historical period, these cost increase have a significant impact on the 2015-2020 trend in cost per FTE.

As a rural and very low-density distributor, API's cost drivers are inherently different than the average Ontario LDC. As such, API believes that asset-driven metrics such as cost per km and trending in total cost efficiency are more reflective of its cost control performance than the OEB OM&A metrics included in this Exhibit that are based on customer and FTE counts. A number of asset-based and other metrics are presented in the DSP (Appendix 2A to Exhibit 2) and the Business Plan (Appendix 1B to Exhibit 1).

**Table 3 – OEB Appendix 2-L OM&A Cost per Customer and per FTE**

|                                                                      | 2015 Board<br>Approved | 2015<br>Actual      | 2016<br>Actuals     | 2017<br>Actuals     | 2018<br>Actuals     | 2019 Bridge<br>Year | 2020 Test<br>Year   |
|----------------------------------------------------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Reporting Basis</b>                                               | <b>MIFRS</b>           | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        |
| OM&A Costs                                                           |                        |                     |                     |                     |                     |                     |                     |
| O&M                                                                  | \$6,761,346            | \$6,296,428         | \$6,361,487         | \$6,715,383         | \$6,711,640         | \$7,016,300         | \$7,080,247         |
| Admin Expenses                                                       | \$5,543,535            | \$5,519,131         | \$5,442,417         | \$5,416,338         | \$5,422,956         | \$5,908,154         | \$6,596,940         |
| <b>Total Recoverable OM&amp;A<br/>from Appendix 2-JB<sup>5</sup></b> | <b>\$12,304,881</b>    | <b>\$11,815,559</b> | <b>\$11,803,904</b> | <b>\$12,131,721</b> | <b>\$12,134,596</b> | <b>\$12,924,455</b> | <b>\$13,677,187</b> |
| Number of Customers <sup>2,4</sup>                                   | 11,684                 | 11,652              | 11,677              | 11,704              | 11,717              | 11,735              | 12,110              |
| Number of FTEs <sup>3,4</sup>                                        | 74                     | 71                  | 70                  | 69                  | 69                  | 71                  | 70                  |
| Customers/FTEs                                                       | 157.89                 | 164.11              | 166.81              | 169.62              | 169.81              | 165.28              | 173.00              |
| OM&A cost per customer                                               |                        |                     |                     |                     |                     |                     |                     |
| O&M per customer                                                     | \$579                  | \$540               | \$545               | \$574               | \$573               | \$598               | \$585               |
| Admin per customer                                                   | \$474                  | \$474               | \$466               | \$463               | \$463               | \$503               | \$545               |
| <b>Total OM&amp;A per customer</b>                                   | <b>\$1,053</b>         | <b>\$1,014</b>      | <b>\$1,011</b>      | <b>\$1,037</b>      | <b>\$1,036</b>      | <b>\$1,101</b>      | <b>\$1,129</b>      |
| OM&A cost per FTE                                                    |                        |                     |                     |                     |                     |                     |                     |
| O&M per FTE                                                          | \$91,370               | \$88,682            | \$90,878            | \$97,324            | \$97,270            | \$98,821            | \$101,146           |
| Admin per FTE                                                        | \$74,913               | \$77,734            | \$77,749            | \$78,498            | \$78,594            | \$83,213            | \$94,242            |
| <b>Total OM&amp;A per FTE</b>                                        | <b>\$166,282</b>       | <b>\$166,416</b>    | <b>\$168,627</b>    | <b>\$175,822</b>    | <b>\$175,864</b>    | <b>\$182,035</b>    | <b>\$195,388</b>    |

## Inflation Rate and Assumptions

In preparing its 2019 Bridge and 2020 Test numbers, API has considered the OEB published inflation rate (the Input Price Index or IPI) for use by utilities with respect to IRM rate applications, namely the 1.5% rate that was used for 2019 IRM applications.

#### 4.1.2 OVERVIEW OF OPERATING FUNCTIONS

To provide a more comprehensive understanding of API's operations, below is an overview of the functional responsibilities within the organization.

#### OPERATIONS AND MAINTENANCE

Operations and Maintenance includes the responsibilities associated with the effective and efficient delivery of all aspects of system engineering and planning, construction, maintenance and operations of the distribution systems. This incorporates the following departments: Line Services, Meter Services, Engineering, Procurement and Materials Management, Fleet and Facilities. API's Sault Ste. Marie Service Centre is the main operating centre with smaller service centres in both Wawa and Desbarats, Ontario.

#### **Engineering**

API Engineering includes all activities associated with long-term asset management, capital program budgeting, and standards development. The department is located in Sault Ste. Marie and has a variety of technical skilled staff in order to accomplish the activities listed below:

#### **Capital / Maintenance Programs**

- Identify long range capital program and projects
- Develop short range capital programs and projects
- Develop and manage annual capital budgets
- Develop maintenance plans and programs
- Coordinate, monitor, report on annual capital program progress
- Maintain the Distribution System Plan to ensure alignment of all capital and maintenance programs

1 **Agreements / Corporate Data / Regulatory**

- 2 • Develop and manage asset recording through corporate systems (GIS, SAP)
- 3 • Develop / negotiate / administer property and access agreements
- 4 • Manage regulatory compliance to Electrical Safety Authority Reg. 22/04,
- 5 • Aggregate and report company outage statistics
- 6 • Develop / negotiate / administrate Joint Use tenant agreements
- 7 • Develop and manage highway and railway agreements
- 8 • Assist and participate with rate applications and other OEB matters
- 9 • Manage property and access engagements, disputes or concerns

10 **Engineering**

- 11 • Distribution System planning
- 12 • Develop designs and standards for overhead, underground, and submarine power line
- 13 construction
- 14 • Develop standards for material and equipment specifications
- 15 • Develop asset management plans and justifications
- 16 • Manage small and large customer connections
- 17 • Provide technical support for field level troubleshooting and maintenance
- 18 • Assist with the development of business processes
- 19 • Coordinate with customers on technical issues

20 **Dispatching**

21 The Dispatching function includes internal labour primarily from the lines department, operating  
22 costs for radio equipment, and other third party support fees for after-hours customer call  
23 centre and dispatch. API has not yet fully implemented its SCADA system. API has described its  
24 delay in full SCADA implementation in Section 4.2.2 of this Exhibit as well in the DSP.

## **Lines**

The Lines function includes all activities associated with field operations, maintenance, and outage restoration of API distribution line network. In order to accomplish the following activities, there are three service centres positioned at geographically strategic locations, in consideration of the vast service area over which API operates. These dispersed service centres allow for faster response time to customer service and outage demands. Service centres in Wawa, Desbarats and Sault Ste. Marie have equipment, tools and materials inventory to allow for all routine maintenance and outage restoration activities to be dispatched from those locations. A larger inventory of equipment and materials inventory is located at the service centre in Sault Ste. Marie.

Distance is a significant factor in responding to customer requests and outages. Even with the spatial separation of the three service centres necessary to service a territory over 14,000 square kilometres, there are some significant distances that are travelled to reach customers. Sample travel times between the three service centres are provided in Table 4 below.

**Table 4 – Sample Distances to Customers**

| <b><i>Service Centre Location</i></b> | <b><i>Customer Location<br/>(Sample Customer<br/>Locations)</i></b> | <b><i>Distance</i></b> | <b><i>Travel Time with<br/>Line Truck</i></b> |
|---------------------------------------|---------------------------------------------------------------------|------------------------|-----------------------------------------------|
| <i>Wawa</i>                           | Missanabie                                                          | 118km                  | 2 hr                                          |
| <i>Sault Ste. Marie</i>               | Montreal River Harbour                                              | 116km                  | 1hr 20 min                                    |
| <i>Desbarats</i>                      | St. Joseph's Island                                                 | 58km                   | 54 min                                        |



Routine Activities of Line Department include:

### **Inspections**

- Line patrols, utilizing various equipment and methods in order to complete the inspection cycle in a variety of geographic and climate conditions.
- On-road line sections are patrolled using pickup truck or equivalent, off road sections are patrolled using all-terrain vehicle, snowmobile or on foot. Approximately ¼ (or 460km) of API circuits are off road.

### **Maintenance**

- Maintenance is performed on pole installations or line hardware (such as switches and connections) as problems are identified through the inspection process or other means.

### **Outage response**

- Outage response is a significant activity for API's lines function. API's reliability is impacted by the heavily forested terrain and climate of Northern Ontario as well as the vastness of the service area.

### **Operational switching**

- API has SCADA ready devices installed within its distribution system, but SCADA functionality is not enabled. As a result, there are periodic system switching required for purposes of isolating sections of the API system for maintenance or capital work, or to respond to requests from the Transmitter (Hydro One Sault Ste. Marie) to de-energize certain feeders for worker safety within the Transmission substations.

### **Customer concerns**

- API responds to customer concerns, which may relate to technical, power quality, or public safety in nature.

1    **Vegetation management**

2    Given API's vast service territory including a significant portion being rural, vegetation  
3    management of the distribution Rights-of-Way throughout the API service area is key. In  
4    addition to performing field line clearing activities, the department ensures all land issues,  
5    notifications and permissions are obtained prior to the field work. The field work completed by  
6    API staff is performed for the most part by skilled utility arborist tradespersons. In addition to  
7    internal staff, a large portion of the field work is contracted out to companies that specialize in  
8    this type of work. Accordingly, the support to manage, administer and monitor these contracts is  
9    also performed by this department. Vegetation can interfere with the safe and reliable operation  
10   of API's electrical system. Trees and brush growing in the vicinity of electrical wires increase the  
11   risk of injury to the public and API's employees as vegetation contacts or arcs with power lines.  
12   Vegetation can cause electrical service interruptions when branches contact or come in close  
13   proximity to power lines. Some examples of these contacts occur when vegetation grows  
14   naturally towards the conductor, as well as, during wind storms or with ice or snow build-up  
15   which cause movement or failure (breakage) of the vegetation and power lines to sag and/or  
16   swing. Trees or branches falling on power lines are also a major causes of power interruption  
17   whether through natural tree health decline and/or loading forces on trees, such as wind, snow,  
18   and ice. Vegetation can also impede the efforts of staff to locate, inspect, maintain, and repair  
19   disruptions to electrical service.

20   The overall objective of API's Vegetation Management Plan is to manage vegetation in proximity  
21   to electrical equipment on a regular schedule to carry out the following:

- 22   o     Enhance public safety near electrical equipment;
- 23   o     Avoid vegetation caused outages thereby sustaining and improving reliability;
- 24   o     Allow worker accessibility to the system; and
- 25   o     Manage and plan vegetation work activities in a least cost sustainable manner.

API has described its Vegetation Management Plan further in the DSP included in Exhibit 2 of this Application.

### **Stations**

Stations includes all activities associated with maintenance of API distribution stations throughout its system. The stations house various equipment including transformers, switches and protective devices. The electrical trades staff are responsible for completing the following:

- Station inspections;
- Annual power transformer oil testing;
- Transformer and switch testing & maintenance;
- Oil containment inspection & maintenance;
- Infrared scanning of electrical facilities;
- Voltage regulator checks;
- Recloser inspection, maintenance and testing; and
- Underground facility locates and manage locates

1    **Metering**

2    There are eight delivery points supplying electricity to the API system. Each of those delivery  
3    points are registered IESO metered facilities which require regular maintenance as prescribed by  
4    the market rules and are managed by a registered Meter Service Provider ("MSP"). Metering also  
5    includes the cost of operating and maintaining the Smart meters and its communication  
6    network.

7    API's O&M costs related to its AMI system are primarily driven by monthly fees associated with  
8    operating and maintaining the AMI towers and repeaters. These fees include regular preventive  
9    maintenance performed by API's AMI Vendor (Sensus), Industry Canada RF licensing costs, and  
10   other costs associated with each site items such as electrical consumption, communications  
11   backhaul and leasing charges for towers owned by third parties.

12   The meter trades and staff are responsible for completing the following:

- 13       • Meter reading, including meters not in time-of-use or non-communicating;
- 14       • Meter exchanges as a result of troubleshooting, meter failures/meter communication  
15       failures;
- 16       • Disconnects / reconnects for non-payment, customer vacancies or customer requests;
- 17       • Annual meter exchange program
- 18       • Troubleshooting meter communications infrastructure including 8 base stations, 23  
19       remote portals and 11 wholesale meter connections;
- 20       • Supporting annual wholesale meter exchange program (supplement the MSP trade staff);  
21       and
- 22       • Transformer Rated Meter verification

1    **Customer Service**

2    Customer Service primarily involves Billing, Collecting, Communication, and Account  
3    Maintenance.

4    In 2013, API began utilizing the FortisOntario SAP system for managing its customer information  
5    and contact management. Through this implementation, API billing and collecting functions  
6    were centralized similarly to the other FortisOntario utilities. Local functions include Account  
7    Maintenance, Communication and all associated customer inquiry assistance.

8    Customer Service also involves Community Relations, namely Public Safety programs, Energy  
9    Conservation, Communication, and attending regular municipal and First Nations customer and  
10   community stakeholder meetings.

11   **Materials Management**

12   Materials Management includes activities associated with procurement, storage and handling of  
13   materials and related distribution hardware that is required for all of the capital and  
14   maintenance programs. There is a larger warehouse located in Sault Ste. Marie in addition to  
15   two smaller inventory locations in both the Desbarats and Wawa service centres. All three  
16   locations include poles, wire, transformers and critical spares inventory. There are dedicated  
17   resources that are accountable for all procurement and inventory management including  
18   shipping and receiving.

19   **Facilities Management**

20   As noted earlier, there are three service centres; Sault Ste. Marie, Desbarats, and Wawa. Activities  
21   performed in this function involve the operation and maintenance of these facilities including  
22   snow removal and yard maintenance

## GENERAL AND ADMINISTRATION

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### **Health, Safety & Environment**

An integral component of API's operations is its Health, Safety & Environment ("HSE") department and its systematic approach to proactively managing safety and the environment.

API utilizes an integrated management system for HSE, consistent with the standards of OHSAS 18001 (Health & Safety) and ISO 14001 (Environment) and developed within the context of FortisOntario's structure. The management system is based upon the premise of "Plan, Do, Check and Act". Both of these standards have been developed based on a foundation of a strong Internal Responsibility System. This is a key value contained in the *Occupational Health and Safety Act*. All HS&E responsibilities are identified through the management system and have been clearly assigned to all levels of API and its parent company FortisOntario including: the Board of Directors, the Executive, Departments (Managers, Supervisors and workers) and Committees (Executive Environmental & Safety Committee, Central Environment & Safety Committee, Joint Health & Safety Committee and Environmental Leadership Team).

FortisOntario's corporate HS&E department consists of two full time employees and additional employees with combined responsibilities managing the five FortisOntario business units with approximately 200 employees and 37 facilities (offices & sub-stations) across Ontario. Each of these utilities/service territories inherently possess unique HS&E challenges associated with their geographical location and operational differences, and benefit from a standardized approach to managing HS&E.

The following is an overview of the FortisOntario's HS&E departmental functions.

- Hazard Assessment
- Legal Compliance
- Performance Indicators

- 1       •       Training
- 2       •       Audits and Inspections

3   One of the core principles consistent to both of the standards associated with the FortisOntario  
4   HS&E management system is the need for continual improvement. The HS&E department  
5   explores new ideas and facilitates recommendations to improve the system, and to promote  
6   HS&E responsibility. In an industry in which technology is evolving rapidly, and in an  
7   environment where API's workers are exposed to risk, it is imperative that API continues to  
8   commit the appropriate resources to sustain its current level of HS&E performance. In that  
9   regard, API has consistently achieved high levels of success in the areas of health, safety and  
10   environmental management as evidenced by its HS&E record.

11   API promotes HSE work practices through many elements of the system including regular  
12   workplace inspections and work observations and training throughout its service territory.  
13   Training requirements for API include standardized utility sector focused training as well as  
14   additional training related to its API service area such as Ice and Water Rescue, Wilderness  
15   Advance First Aid, Tree Top Rescue, Snow machine and Off Road Vehicle.

## 16   **Human Resources**

17   Headquartered in Fort Erie, the Human Resources department has corporate responsibilities  
18   throughout the organization. The priorities of the department are to ensure adequate staffing  
19   levels, succession planning and employee retention with a focus on employee development and  
20   on-going labour relations.

21   A leadership coaching and development training program has been offered to a number of  
22   management and supervisory employees to further develop their management and leadership  
23   skill set. A mentoring program has been rolled out to compliment the leadership coaching and  
24   development program.

1 Health plan cost management, pension administration and workplace safety and insurance  
2 board administration, and other benefit related activities are managed by the Human Resources  
3 department. The company maintains a modified return to work program and regularly tracks,  
4 reports and manages human resources in an effort to remain aligned with corporate objectives.  
5 API maintains positive labour relations with its represented employees and has a cooperative  
6 working relationship with PWU leadership.

7 **Corporate Communications and Community Involvement (Community Relations)**

8 Community involvement and public relations remain an important core value of API. Continued  
9 local community involvement in selective focus areas will aid in achieving the goal of being  
10 recognized as a valued member of the community served.

11 The implementation of social media (twitter and Facebook) have provided additional channels  
12 to promote API's community involvement initiatives.

13 API continues presenting Public Electrical Safety and Conservation programs for local  
14 elementary students. Each school within the service territory is scheduled to have the  
15 presentation every fourth year.

16 **Information Technology**

17 API utilizes CNPI's CIS and Enterprise Resource Planning SAP solution as the IT system to  
18 provide a fully integrated billing and back office solution. The Information Technology corporate  
19 department is responsible for all hardware and software maintenance and programming. The  
20 department has continued to focus on developing in-house expertise to reduce the need to  
21 utilize third party consultants.



1   **Finance**

2   The corporate Finance department supports the accounting and reporting administration of the  
3   company. Located centrally in the Fort Erie office, the Finance department is responsible for all  
4   company accounts payable, payroll and financial reporting. In addition, the department is  
5   responsible for all retail related billing, OEB data collection and reporting as well as monthly  
6   financial statements.

7   **Regulatory**

8   API utilizes the regulatory department of CNPI, an affiliate, to provide regulatory support and  
9   assistance with maintaining compliance with its regulatory requirements. API will continue to  
10   rely on these internal resources to perform the majority of the regulatory functions which also  
11   enhances the development of in-house regulatory competency rather than relying on third party  
12   consultants for the core regulatory function.

## **4.2 SUMMARY & COST DRIVER TABLES**

### **4.2.1 SUMMARY OF COST DRIVERS**

In accordance with the Filing Requirements, OEB Appendix 2-JB – OM&A Cost Drivers, Table 5 presented below outlines the key drivers of OM&A costs over the period of 2015 Board Approved to the 2020 Test Year. An overview of the explanations behind the costs drivers are presented in Section 4.2.2.

**Table 5 – OEB Appendix 2-JB OM&A Cost Drivers**

|                                                                                | <b>OM&amp;A</b> | <b>Last<br/>Rebasing<br/>Year (2015<br/>Actuals)</b> | <b>2016<br/>Actuals</b> | <b>2017<br/>Actuals</b> | <b>2018<br/>Actuals</b> | <b>2019<br/>Bridge<br/>Year</b> | <b>2020 Test<br/>Year</b> |
|--------------------------------------------------------------------------------|-----------------|------------------------------------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|---------------------------|
| <b>Reporting Basis</b>                                                         |                 |                                                      |                         |                         |                         |                                 |                           |
| <b>Opening Balance</b>                                                         |                 | \$12,304,881                                         | \$11,815,559            | \$11,803,904            | \$12,131,721            | \$12,134,596                    | \$12,924,455              |
| Vehicle Depreciation Credit                                                    |                 | \$258,000                                            |                         |                         |                         |                                 |                           |
| Load Dispatching                                                               |                 | -\$66,000                                            |                         |                         |                         |                                 |                           |
| AMI Metering Costs                                                             |                 | -\$44,000                                            | \$33,000                | \$38,000                |                         |                                 |                           |
| Outages                                                                        |                 | -\$148,000                                           | \$121,000               | \$147,000               | -\$273,000              |                                 |                           |
| Right of Way Maintenance Program                                               |                 | -\$70,000                                            | \$116,000               | \$62,000                | \$207,000               |                                 |                           |
| Miscellaneous Customer Accounts Expenses                                       |                 | -\$89,000                                            | -\$52,000               | -\$13,000               | \$77,000                |                                 |                           |
| G&A Outside Services Employed                                                  |                 | -\$80,000                                            | \$231,000               | -\$122,000              |                         |                                 |                           |
| Technical Services Supervisor Vacancy                                          |                 |                                                      | -\$47,000               | \$47,000                |                         |                                 |                           |
| Overhead Lines and Feeders Maintenance - Labour                                |                 |                                                      | -\$48,000               | \$30,000                | \$23,000                | \$22,000                        |                           |
| Regional Manager                                                               |                 |                                                      | -\$148,000              | \$110,000               | \$25,000                |                                 |                           |
| Utilityperson Hire                                                             |                 |                                                      |                         | -\$60,000               | -\$60,000               | \$105,000                       |                           |
| Customer Engagement                                                            |                 |                                                      |                         |                         | \$109,000               | -\$74,000                       |                           |
| Maintenance on Poles, Towers and Fixtures, and Overhead Conductors and Devices |                 |                                                      |                         |                         | -\$44,000               | \$78,000                        |                           |
| Joint Use Pole Rental Paid                                                     |                 |                                                      |                         |                         |                         | \$40,000                        |                           |
| Right of Way Land Fees                                                         |                 |                                                      |                         |                         |                         | \$47,000                        |                           |
| Sault Ste Marie Building Rent                                                  |                 |                                                      |                         |                         |                         |                                 | \$341,000                 |
| Regulatory Expenses                                                            |                 |                                                      |                         |                         |                         |                                 | \$155,000                 |
| Shared Services Administrative Services From CNPI Distribution                 |                 |                                                      |                         | \$116,000               | -\$214,000              | \$294,000                       | \$71,000                  |
| Dubreuilville Interim License Internal Effort                                  |                 |                                                      |                         | -\$109,000              | \$40,000                | \$19,000                        | \$50,000                  |
| Miscellaneous                                                                  |                 | -\$250,322                                           | -\$217,655              | \$81,817                | \$112,875               | \$258,859                       | \$135,732                 |
|                                                                                |                 |                                                      |                         |                         |                         |                                 |                           |
|                                                                                |                 |                                                      |                         |                         |                         |                                 |                           |
| <b>Closing Balance</b>                                                         |                 | \$11,815,559                                         | \$11,803,904            | \$12,131,721            | \$12,134,596            | \$12,924,455                    | \$13,677,187              |

#### 4.2.2 COST DRIVER ANALYSIS

The following section provides explanations of the year over year cost variances and drivers as submitted within Appendix 2-JB of the Chapter 2 Filing Requirements.

##### **Vehicle Depreciation Credit**

###### 2015 Board Approved vs 2015 Actuals

*Increase of \$258,000*

API adopted MIFRS accounting effective January 1, 2013 as submitted within its 2015 cost of service application, EB-2014-0055. This accounting policy change resulted in the inclusion of vehicle depreciation within the burden rates calculated for operational departments. In calculating the 2015 Board Approved revenue requirement, API allocated the offsetting vehicle depreciation credit entry within the General and Administrative expenses OEB 5625. Per Board staff direction issued in 2014, the vehicle credit was to be recorded as a reduction in depreciation expenses which is where API recorded the credit in the 2015 Actuals within this Application; hence the increase of \$258,000 between 2015 Board Approved and 2015 Actuals.

##### **Load Dispatching**

###### 2015 Board Approved vs 2015 Actuals

*Decrease of \$66,000*

API outlined the implementation of a SCADA system in its 2015 cost of service application including an estimate for on-going operating costs. Actual costs in 2015 were significantly less and this negative variance was due to the deferral in SCADA implementation. See Section 4.3.2.2 of the DSP, submitted as Appendix 2A in Exhibit 2, for additional information. Costs that have been incurred from 2015 Actuals to 2020 Test for load dispatching have been a combination of internal labour effort, operating costs for radio equipment, and other third party support fees.

**Advanced Metering Infrastructure (AMI) Metering Costs**

2015 Board Approved vs 2015 Actuals, 2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017

Actuals

*Decrease of \$44,000, Increase of \$33,000, Increase of \$38,000*

With the implementation of Smart Meters, API anticipated AMI costs to exceed \$384,000 in 2015 but actual costs did not exceed this level until 2017 when costs exceeded \$410,000. This was primarily due to the delayed ramp up in third party data management solution costs.

**Outages**

2015 Board Approved vs 2015 Actuals, 2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017

Actuals, 2017 Actuals vs 2018 Actuals

*Decrease of \$148,000, Increase of \$121,000, Increase of \$147,000, Decrease of \$273,000*

API's outages which are influenced by weather patterns, can vary significantly from one year to the next. There were less than expected outages in 2015, but outage costs increased significantly in 2016 and 2017, and then were reduced again in 2018.

**Right of Way Maintenance Program**

2015 Board Approved vs 2015 Actuals, 2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017

Actuals, 2017 Actuals vs 2018 Actuals

*Decrease of \$70,000, Increase of \$116,000, Increase of \$62,000, Increase of \$207,000*

API's Right of Way maintenance program is a significant portion of API's total OM&A, and total expenditures may vary from year to year depending on multiple factors including forestry zone, weather patterns, and contractor availability and pricing. Although 2015 actuals were slightly under the Board Approved amount, API increased spending in 2016 through to 2018 to ensure the programs were completed as planned. A portion of the increase in 2018 in this account related to a new access trail maintenance program being implemented.

**Miscellaneous Customer Accounts Expenses**

2015 Board Approved vs 2015 Actuals, 2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017

Actuals, 2017 Actuals vs 2018 Actuals

*Decrease of \$89,000, Decrease of \$52,000, Decrease of \$13,000, Increase of \$77,000*

This account reflects primarily internal labour allocations for the performance of general customer service functions. 2015, 2016 and 2017 actuals were lower than 2015 Board Approved due to a variety of factors including: temporary increased effort allocated to capital projects, less than expected general customer service support from other departments given focus on capital effort during these years, and less than expected general customer service support from API's affiliate.

**G&A Outside Services Employed**

2015 Board Approved vs 2015 Actuals, 2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017

Actuals

*Decrease of \$80,000, Increase of \$231,000, Decrease of \$122,000*

This account includes various outside services employed including audit, legal, other consultants including pension administration fees, and administrative services. The 2015 Board Approved amount had been estimated based on historical spend. 2015 actual expenditures incurred were less than Board Approved primarily due to less than budgeted other consultants. 2016 increased significantly due to a combination of other consultant fees and increased legal fees for legal matters, while 2017 expenditures returned closer to 2015 Board Approved.

**Technical Services Supervisor Vacancy**

2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017 Actuals

*Decrease of \$47,000, Increase of \$47,000*

In 2016, the Technical Services Supervisor position became vacant and it was not filled until 2017.

**Overhead Lines and Feeders Operating - Labour**

2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017 Actuals, 2017 Actuals vs 2018 Actuals, 2018 Actuals vs 2019 Bridge Year

*Decrease of \$48,000, Increase of \$30,000, Increase of \$23,000, Increase of \$22,000*

Overhead Lines and Feeders operating effort may vary year to year and is influenced by snow conditions and weather patterns. In less optimal weather conditions, patrolling effort becomes less efficient. This is especially relevant given the vast rural distribution network that API maintains as outlined in Exhibit 1. 2016 actual costs were down as compared to 2015 due to more optimal snow and weather conditions that contributed to more efficient patrolling effort, while 2017 through to 2020 are showing generally less efficient patrolling effort likely due to snow and weather, therefore increasing labour costs. Given that line crew work on a combination of capital, operating and maintenance projects, in years where increased operating effort is required for such things as maintaining overhead lines and feeders, less capital work is then able to be completed using internal API resources.

**Regional Manager**

2015 Actuals vs 2016 Actuals, 2016 Actuals vs 2017 Actuals, 2017 Actuals vs 2018 Actuals

*Decrease of \$148,000, Increase of \$110,000, Increase of \$25,000*

During 2016, API transitioned to a new Regional Manager. During the transition phase, there were times of vacancy in the position, resulting in a lower cost in 2016.

**Utility Person Hire**

2016 Actuals vs 2017 Actuals, 2017 Actuals vs 2018 Actuals, 2018 Actuals vs 2019 Bridge

*Decrease of \$60,000, Decrease of \$60,000, Increase of \$105,000*

During 2017, API's tool person retired. In place of hiring another individual with the former tool person's same job responsibilities, API reassessed the unfilled position requirements and moved forward with hiring a utility person in 2019. This reassessment resulted in a reallocation of job

functions and lower costs allocated to tool maintenance and slight operational cost savings as reflected in the cost driver table.

### **Customer Engagement**

2017 Actuals vs 2018 Actuals, 2018 Actuals vs 2019 Bridge

*Increase of \$109,000, Decrease of \$74,000*

As outlined in Exhibit 1, API has enhanced its customer engagement activities. Specifically, in 2018, a 3rd party was engaged to assist with the "Taking AIM" program roll-out. API expects the costs in 2019 and beyond to drop to an expected on-going annual customer engagement level of approximately \$60,000.

### **Maintenance on Poles, Towers and Fixtures, and Overhead Conductors and Devices**

2017 Actuals vs 2018 Actuals, 2018 Actuals vs 2019 Bridge

*Decrease of \$44,000, Increase of \$78,000*

The decrease in 2018 is primarily the result of a delay in some of the towers, poles, and fixtures maintenance activities such as pole straightening and guy tensioning due to line resources focusing more on capital effort including line rebuilds. 2019 and 2020 effort is expected to ramp back up to a more normalized level of approximately \$244,000, which is in line with 2015 to 2017 actuals.

### **Joint Use Pole Rental Paid**

2018 Actuals vs 2019 Bridge

*Increase of \$40,000*

API rents space on approximately 1,600 third party owned poles. The increase in 2019 relates to the OEB decision related to joint use poles rates in EB-2015-0304.



1 **Right of Way Land Fees**

2 **2018 Actuals vs 2019 Bridge**

3 *Increase of \$47,000*

4 API has many land agreements with financial terms or annual fees associated with them. The  
5 increase in 2019 relates to anticipated increases in right of way land fees.

6 **Sault Ste. Marie Building Rent**

7 **2019 Bridge vs 2020 Test**

8 *Increase of \$341,000*

9 API's current lease agreement at 2 Sackville Rd, Sault Ste. Marie is set to expire at the end of  
10 2019. Given the recent ownership change of the building's lessor, API has researched lease rates  
11 and believes that any new lease agreement starting in 2020 (at either its existing facility or at  
12 temporary facilities) will be higher than the existing rates. API is committed to updating lease  
13 values during the hearing process as negotiations with its landlord continue. API is planning  
14 construction of the proposed new Sault Ste. Marie facility to be completed in 2022, and will  
15 consider the impact of any reduction in 2023-2024 facility operating costs when it submits its  
16 application for ACM cost recovery of the new facility.

17 **Regulatory Expenses**

18 **2019 Bridge vs 2020 Test**

19 *Increase of \$155,000*

20 As outlined in Exhibit 1, API has prepared this Application on the basis of full integration of  
21 Dubreuil Lumber Inc., including consideration of relief requested in the related MAAD  
22 application (EB-2018-0271). As part of that application, API proposed to record transaction and  
23 integration costs of approximately \$550,000 in a deferral account, and proposed to dispose of  
24 this balance by including it as a one-time cost in the current Application, specifically by  
25 including 20% of the costs (approximately \$110,000) in its 2020 revenue requirement, such that

the total is amortized over the five-year rate setting term. API has requested that the OEB make a determination on this proposal, as further detailed in Sections 1.3.4 and 1.3.7 of Exhibit 1. Approximately \$25,000 of the variance reflects 20% of the increased total one-time costs related to the current Application as compared to API's 2015 cost of service application. See Sections 4.6.2 and 4.6.3 for further detail.

#### **Shared Services Administrative Services From CNPI Distribution**

2016 Actuals vs 2017 Actuals, 2017 Actuals vs 2018 Actuals, 2018 Actuals vs 2019 Bridge, 2019 Bridge vs 2020 Test

*Increase of \$116,000, Decrease of \$214,000, Increase of \$294,000, Increase of \$71,000*

Shared services have also been discussed in Section 4.5 of this Exhibit. The increase in 2017 over 2016 represents an 8% increase. A portion of the increase was attributable to a slight overall increase in API's share of allocations from Canadian Niagara Power ("CNPI") that was accepted within CNPI's 2017 cost of service proceeding. Aside from other general increases, additional costs for Health and Safety had been allocated to API as a result of an increased focus and effort in this area. 2018 decreased by \$214,000 over 2017 due a combination of factors including: the elimination of IT department staff resulting from restructuring efforts sought to better align resources and more effectively deliver services; a short-term decrease in Finance staffing; and periods of vacancy during progressions and re-assignments of corporate staff that resulted in a temporary decrease in shared service administrative allocations from CNPI as shown in Section 4.3.5. 2019 increases over 2018 are related to a combination of factors including: additional IT service costs as a newly contracted Managed Security Service Provider (MSSP) established in order to address requirements of the OEB Cybersecurity Framework, staff hired in Finance to enhance processes and controls over financial and regulatory reporting, a continued increased focus and effort on Health and Safety, and other general increases. The increase in 2020 over 2019 primarily represents inflationary increases and a further reversal of the 2018 temporary decreases identified above.

**Dubreuilville Interim License Internal Effort**

2016 Actuals vs 2017 Actuals, 2017 Actuals vs 2018 Actuals, 2018 Actuals vs 2019 Bridge, 2019

Bridge vs 2020 Test

*Decrease of \$109,000, Increase of \$40,000, Increase of \$19,000, Increase of \$50,000*

With the issuance of an interim license for API to operate the electricity distribution system in the Township of Dubreuilville effective April 4, 2017, API internal operational resources were redirected to address some immediate concerns. As such, 2017 OM&A was decreased, and 2018 Actuals to 2020 Plan show a return to a more normalized OM&A staffing complement. Refer to the MAAD application EB-2018-0271 for more information.

#### 4.2.3 COST PER CUSTOMER

Table 6 below shows an OM&A cost per customer of \$1,129 in 2020 Test in comparison to \$1,053 in the 2015 Board Approved. This represents a compound annual growth rate of 1.4% per customer over the 5-year period.

**Table 6 – OEB Appendix 2-L OM&A Cost per Customer and FTE**

|                                                                      | Last<br>Rebasing<br>Year -<br>2015-<br>Board<br>Approved | Last<br>Rebasing<br>Year -<br>2015-<br>Actual | 2016<br>Actuals     | 2017<br>Actuals     | 2018<br>Actuals     | 2019 Bridge<br>Year | 2020 Test<br>Year   |
|----------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Reporting Basis</b>                                               | <b>MIFRS</b>                                             | <b>MIFRS</b>                                  | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        | <b>MIFRS</b>        |
| <i>OM&amp;A Costs</i>                                                |                                                          |                                               |                     |                     |                     |                     |                     |
| <i>O&amp;M</i>                                                       | \$6,761,346                                              | \$6,296,428                                   | \$6,361,487         | \$6,715,383         | \$6,711,640         | \$7,016,300         | \$7,080,247         |
| <i>Admin Expenses</i>                                                | \$5,543,535                                              | \$5,519,131                                   | \$5,442,417         | \$5,416,338         | \$5,422,956         | \$5,908,154         | \$6,596,940         |
| <b>Total Recoverable OM&amp;A<br/>from Appendix 2-JB<sup>5</sup></b> | <b>\$12,304,881</b>                                      | <b>\$11,815,559</b>                           | <b>\$11,803,904</b> | <b>\$12,131,721</b> | <b>\$12,134,596</b> | <b>\$12,924,455</b> | <b>\$13,677,187</b> |
| <i>Number of Customers<sup>2,4</sup></i>                             | 11,684                                                   | 11,652                                        | 11,677              | 11,704              | 11,717              | 11,735              | 12,110              |
| <i>Number of FTEs<sup>3,4</sup></i>                                  | 74                                                       | 71                                            | 70                  | 69                  | 69                  | 71                  | 70                  |
| <i>Customers/FTEs</i>                                                | 157.89                                                   | 164.11                                        | 166.81              | 169.62              | 169.81              | 165.28              | 173.00              |
| <i>OM&amp;A cost per customer</i>                                    |                                                          |                                               |                     |                     |                     |                     |                     |
| <i>O&amp;M per customer</i>                                          | \$579                                                    | \$540                                         | \$545               | \$574               | \$573               | \$598               | \$585               |
| <i>Admin per customer</i>                                            | \$474                                                    | \$474                                         | \$466               | \$463               | \$463               | \$503               | \$545               |
| <b>Total OM&amp;A per customer</b>                                   | <b>\$1,053</b>                                           | <b>\$1,014</b>                                | <b>\$1,011</b>      | <b>\$1,037</b>      | <b>\$1,036</b>      | <b>\$1,101</b>      | <b>\$1,129</b>      |
| <i>OM&amp;A cost per FTE</i>                                         |                                                          |                                               |                     |                     |                     |                     |                     |
| <i>O&amp;M per FTE</i>                                               | \$91,370                                                 | \$88,682                                      | \$90,878            | \$97,324            | \$97,270            | \$98,821            | \$101,146           |
| <i>Admin per FTE</i>                                                 | \$74,913                                                 | \$77,734                                      | \$77,749            | \$78,498            | \$78,594            | \$83,213            | \$94,242            |
| <b>Total OM&amp;A per FTE</b>                                        | <b>\$166,282</b>                                         | <b>\$166,416</b>                              | <b>\$168,627</b>    | <b>\$175,822</b>    | <b>\$175,864</b>    | <b>\$182,035</b>    | <b>\$195,388</b>    |

\*Customers do not include connections

## **4.3 PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS**

### **4.3.1 SUMMARY OF PROGRAMS**

Although API does not currently track and analyze its costs exactly as presented below, in accordance with Chapter 2 filing requirements, API has completed Table 7 below, which shows a summary of the 2015 Board Approved to 2020 Test OM&A programs for 2015 Board Approved to 2020. API has classified its various OM&A components into a series of programs that have considered the RRFE categories of Customer Focus, Operational Effectiveness, and Public Responsiveness. Variance analysis was completed where program variances exceeded the materiality threshold.

1

**Table 7 - OEB Appendix 2-JC OM&A Programs**

| <i>Programs</i>                                                       | <b>Last<br/>Rebasing<br/>Year (2015<br/>Board-<br/>Approved)</b> | <b>Last<br/>Rebasing<br/>Year (2015<br/>Actuals)</b> | <b>2016<br/>Actuals</b> | <b>2017<br/>Actuals</b> | <b>2018<br/>Actuals</b> | <b>2019<br/>Bridge<br/>Year</b> | <b>2020 Test<br/>Year</b> | <b>Variance<br/>(Test<br/>Year vs.<br/>2018<br/>Actuals)</b> | <b>Variance<br/>(Test Year<br/>vs. Last<br/>Rebasing<br/>Year<br/>(2015<br/>Board-<br/>Approved)</b> |
|-----------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|---------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <b>Reporting Basis</b>                                                | <b>MIFRS</b>                                                     | <b>MIFRS</b>                                         | <b>MIFRS</b>            | <b>MIFRS</b>            | <b>MIFRS</b>            | <b>MIFRS</b>                    | <b>MIFRS</b>              | <b>MIFRS</b>                                                 | <b>MIFRS</b>                                                                                         |
| <b>Customer Focus</b>                                                 |                                                                  |                                                      |                         |                         |                         |                                 |                           |                                                              |                                                                                                      |
| <i>Customer Service, Mailing Costs, Billing and Collections, LEAP</i> | 908,819                                                          | 809,242                                              | 728,128                 | 721,552                 | 779,344                 | 849,591                         | 848,296                   | 68,951                                                       | -60,523                                                                                              |
| <i>Community Relations</i>                                            | 22,102                                                           | 24,430                                               | 32,308                  | 47,552                  | 141,890                 | 94,552                          | 96,558                    | -45,332                                                      | 74,456                                                                                               |
| <i>Bad Debts</i>                                                      | 100,000                                                          | 64,251                                               | 62,004                  | 49,190                  | 43,555                  | 71,000                          | 71,000                    | 27,445                                                       | -29,000                                                                                              |
| <i>Meter Reading</i>                                                  | 106,363                                                          | 115,582                                              | 117,111                 | 131,602                 | 124,976                 | 77,735                          | 104,058                   | -20,918                                                      | 2,305                                                                                                |
|                                                                       |                                                                  |                                                      |                         |                         |                         |                                 |                           |                                                              |                                                                                                      |
| <b>Sub-Total</b>                                                      | 1,137,284                                                        | 1,013,505                                            | 939,551                 | 949,897                 | 1,089,765               | 1,092,879                       | 1,119,912                 | 30,147                                                       | -17,372                                                                                              |
| <b>Operational Effectiveness</b>                                      |                                                                  |                                                      |                         |                         |                         |                                 |                           |                                                              |                                                                                                      |
| <i>Stations</i>                                                       | 329,020                                                          | 243,664                                              | 169,781                 | 141,119                 | 198,821                 | 190,271                         | 201,225                   | 2,404                                                        | -127,795                                                                                             |
| <i>Load Dispatching</i>                                               | 106,000                                                          | 39,766                                               | 40,668                  | 127,237                 | 135,356                 | 157,587                         | 165,702                   | 30,346                                                       | 59,702                                                                                               |
| <i>Supervision and Engineering</i>                                    | 209,996                                                          | 196,955                                              | 166,716                 | 206,344                 | 281,939                 | 300,320                         | 246,582                   | -35,357                                                      | 36,586                                                                                               |
| <i>Meters Maintenance</i>                                             | 839,470                                                          | 755,168                                              | 776,309                 | 835,155                 | 752,357                 | 844,549                         | 846,103                   | 93,746                                                       | 6,633                                                                                                |
| <i>Overhead Lines and Feeders</i>                                     | 1,287,589                                                        | 1,202,398                                            | 1,307,560               | 1,425,626               | 1,157,007               | 1,258,908                       | 1,321,533                 | 164,526                                                      | 33,944                                                                                               |
| <i>Distribution Transformers</i>                                      | 27,197                                                           | 16,045                                               | 10,937                  | 2,776                   | 3,520                   | 15,413                          | 17,446                    | 13,926                                                       | -9,751                                                                                               |
| <i>Right of Way Maintenance Program</i>                               | 3,301,180                                                        | 3,231,088                                            | 3,346,741               | 3,409,082               | 3,616,124               | 3,578,067                       | 3,571,764                 | -44,360                                                      | 270,584                                                                                              |
| <i>Underground Lines, Feeders, and Services</i>                       | 37,102                                                           | 13,552                                               | 2,964                   | 9,927                   | 10,293                  | 12,530                          | 14,466                    | 4,173                                                        | -22,636                                                                                              |
| <i>Poles Towers &amp; Fixtures</i>                                    | 174,034                                                          | 127,827                                              | 150,750                 | 121,217                 | 101,801                 | 129,056                         | 130,195                   | 28,395                                                       | -43,839                                                                                              |
| <i>Salaries, Wages and Benefits for Administrative Services</i>       | 2,484,276                                                        | 2,704,652                                            | 2,521,175               | 2,621,314               | 2,510,807               | 2,966,460                       | 3,080,168                 | 569,361                                                      | 595,892                                                                                              |
| <i>Other External Administrative Services</i>                         | 478,490                                                          | 398,334                                              | 629,516                 | 507,229                 | 512,310                 | 434,790                         | 441,194                   | -71,116                                                      | -37,296                                                                                              |
| <i>Rent and Maintenance of General Plant</i>                          | 869,183                                                          | 836,940                                              | 858,254                 | 868,096                 | 886,554                 | 903,530                         | 1,287,715                 | 401,161                                                      | 418,532                                                                                              |
| <i>Other Operating and Maintenance</i>                                | 449,758                                                          | 469,965                                              | 389,061                 | 436,901                 | 454,422                 | 529,601                         | 565,230                   | 110,808                                                      | 115,472                                                                                              |
| <i>Other General and Admin</i>                                        | 358,416                                                          | 324,708                                              | 295,860                 | 314,599                 | 292,394                 | 358,915                         | 361,170                   | 68,776                                                       | 2,754                                                                                                |

|                                             |                                    |                   |                   |                   |                   |                   |                   |                   |                  |                  |
|---------------------------------------------|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| <b>Public and Regulatory Responsiveness</b> | <b>Sub-Total</b>                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |
|                                             |                                    | 10,951,711        | 10,561,062        | 10,666,290        | 11,026,620        | 10,913,705        | 11,679,996        | 12,250,493        | 1,336,788        | 1,298,782        |
|                                             |                                    |                   |                   |                   |                   |                   |                   |                   |                  |                  |
|                                             | <i>Regulatory &amp; Compliance</i> | 215,886           | 240,992           | 198,062           | 155,204           | 131,127           | 151,580           | 306,783           | 175,656          | 90,897           |
|                                             |                                    |                   |                   |                   |                   |                   |                   |                   |                  |                  |
|                                             | <b>Total</b>                       | <b>12,304,881</b> | <b>11,815,559</b> | <b>11,803,904</b> | <b>12,131,721</b> | <b>12,134,596</b> | <b>12,924,455</b> | <b>13,677,187</b> | <b>1,542,591</b> | <b>1,372,306</b> |

#### 4.3.2 PROGRAM VARIANCE ANALYSIS

The following section provides explanations of the significant program variances between either 2015 Board Approved and 2020 Test, or 2018 Actuals and 2020 Test.

##### **Stations**

##### 2015 Board Approved vs 2020 Test

*Decrease of \$128,000*

The primary decrease in stations expense from 2015 Board Approved to 2020 Test is the result of both a shift in labour allocations for API's electrical maintenance and line staff, and less third party snow removal costs.

2015 Board Approved had planned approximately \$175,000 in allocated labour to perform operating and maintenance activities on stations. In comparison, 2020 Test year has allocated approximately \$80,000 to perform operating and maintenance activities on stations. Of the \$95,000 decrease, \$75,000 relates to the electrical maintenance staff and \$20,000 relates to the lines staff.

Generally, throughout the 2015 to 2018 historical actual period, electrical maintenance staff have focused resourcing on maintenance work completed on meters (i.e. meter verifications, AMI Smart meter work, etc.), as well as supported various capital projects including the API Protection Automation Reliability and API Substation/Sub-Transmission Reliability Improvement projects. As a result, less time has been allocation to stations operating and maintenance activities as compared to 2015 Board Approved. Likewise, line staff have been focusing effort on lines related operating, maintenance and capital projects with less effort allocated to stations operations and maintenance.

Labour allocation to specific programs is generally within API's control. API considered the recent historical actual trending as a reasonable basis for 2020 Test year budget and has therefore allocated less internal labour to the stations expense accounts for both electrical maintenance and line staff. This approach allows existing staff levels to complete identified



capital and O&M programs, without securing additional contracted resources, while at the same time maintaining flexibility to re-direct resources to station O&M activities if required in future years.

In addition to above, the 2015 Board Approved included approximately \$50,000 in third party snow removal costs at the various distribution stations in API's service territory. Actual costs from year-to-year may vary depending on weather patterns and are generally outside of API's control. API incurred an average of slightly under \$30,000 for actual costs from 2015 to 2018. Based on this trending, 2020 Test year plan includes a \$34,000 estimate of snow removal costs, which results in a decrease of approximately \$16,000 as compared to 2015 Board Approved.

#### **Overhead Lines and Feeders**

##### 2018 Actuals vs 2020 Test

##### *Increase of \$165,000*

The increase in overhead lines and feeders expenses from 2018 Actuals to 2020 Test is the result of a combination of increased pole rental costs, increased right of way land fees and increased overhead work in the Dubreuilville area.

As outlined in the cost driver table and the cost driver analysis completed in Section 4.2 of this Exhibit, an increase of \$40,000 has been included in 2019 Bridge year related to the increase in joint pole rates resulting from the recent OEB decision, which is outside of API's control. The increase in costs is expected to persist through 2020 Test year.

Also outlined in the cost driver table and the cost driver analysis completed in Section 4.2 of this Exhibit, is an increase of \$47,000 that has been included in 2019 Bridge year related to the increase in right of way land fees. The increase in costs is expected to persist through 2020 Test year. In any case involving increases to land use fees, API considers land appraisal values and industry norms for compensation, but also considers whether relocation of assets could lead to a more economical outcome.

Overhead work in the Dubreuilville area for historical and Bridge years will have accumulated in regulatory accounts as per EB-2017-0303/EB-2018-0271. In the 2020 Test year, API has included overhead lines and feeders operating and maintenance costs anticipated for the Dubreuilville area within this program. The requirement to operate the distribution system in the Dubreuilville area was outside of API's control as a result of the OEB's decision to appoint API as the interim operator. The decision to acquire and integrate assets in the Dubreuilville area for the 2020 Test Year resulted from API's consideration that it could operate this system more efficiently on an integrated basis, as compared to indefinite operation under an interim licence, as more fully set out in EB-2018-0271.

#### **Right of Way Maintenance**

##### **2015 Board Approved vs 2020 Test**

##### **Increase of \$271,000**

The increase of \$271,000, or 8.2%, from 2015 Board Approved to 2020 Test year represents a compound annual growth rate of approximately 1.6%. As outlined in the cost driver table and the cost driver analysis completed in Section 4.2 of this Exhibit, expenditures may vary from year to year depending on multiple factors including zone, weather patterns, and contractor availability and pricing. To date, API has experienced moderate contractor rates and pricing increases which has helped to keep the annual growth rate in total program costs relatively in line with inflationary rate increases. Although API has assumed similar trending for the 2020 Test year (i.e. increases in contractor rates roughly equal to inflation), due to the recent departure of one of the key contractors in the region, there is some significant uncertainty about pricing into future years. It is expected that there will likely be an upward pressure on pricing as demand for these types of contractors still remains high in the region. API's vegetation management program is discussed further in the DSP. The risk of future price increases, the rationale for keeping 2020 forecasts at inflationary levels, and the cost mitigation measures being explored by API to offset future cost pressures are discussed further in the Business Plan.

**Salaries, Wages and Benefits for Administrative Services**

**2018 Actuals vs 2020 Test, 2015 Board Approved vs 2020 Test**

*Increase of \$569,000, Increase of \$596,000*

The increase of \$569,000 from 2018 Actual to 2020 Test is primarily due to a combination of a \$105,000 related to the hire of a utility person, and a \$406,000 increase in shared services and corporate cost allocation.

As outlined in the cost driver table and the cost driver analysis completed in Section 4.2 of this Exhibit, API's tool person retired in 2017 and a utility person was planned to be hired in 2019. This temporary unfilled position has contributed approximately \$105,000 to the net increase from 2018 Actuals to 2020 Test. The decision to fill the vacant position was within API's control and Section 4.2 describes the slight operational cost savings resulting from API's reassessment of the requirements of the vacant position.

The \$406,000 increase in shared services is a combination of several items including general increases in labour, material and contracted service costs. Additional IT service costs have been allocated related to a Managed Security Service Provider (MSSP) agreement established in order to address requirements of the OEB Cybersecurity Framework, staff hired in Finance both to fill short-term vacancies and to enhance processes and controls over financial and regulatory reporting, and an increased focus and effort on Health and Safety. Decisions to augment controls and processes were within API's control, but were informed by evolving regulatory expectations, as well as expectations of API's customers in relation to data and network security and Health and Safety. API considered that short-term vacancies in these areas were not sustainable. In some cases, such as the MSSP agreement, contracted services were considered and selected to meet these requirements.

The increase of \$596,000 from 2015 Board Approved to 2020 Test is primarily due to a combination of a \$258,000 vehicle depreciation credit recorded in 2015 Board Approved, and a \$336,000 increase in shared services and corporate cost allocation.

1 As outlined in the cost driver table and the cost driver analysis completed in Section 4.2 of this  
2 Exhibit, a vehicle depreciation credit of \$258,000 was recorded within General and  
3 Administrative expenses in 2015 Board Approved, and that account has been mapped to this  
4 program for program variance analysis purposes. For 2015 actuals and beyond within this  
5 Application, the vehicle depreciation credits have been recorded as a contra to depreciation  
6 expenses in OEB 5705.

7 The \$336,000 increase in shared services is a combination of several items including general  
8 increases in labour, material and contracted service costs. Additional IT service costs have been  
9 allocated related to a Managed Security Service Provider (MSSP) agreement established in order  
10 to address requirements of the OEB Cybersecurity Framework, staff hired in Finance to enhance  
11 processes and controls over financial and regulatory reporting, and an increased focus and  
12 effort on Health and Safety, as described above. Offsetting some of the increase in shared  
13 services, was the elimination of IT department staff resulting from restructuring efforts sought to  
14 better align resources and more effectively deliver services. Shared services have also been  
15 discussed in Section 4.5 of this Exhibit.

**Rent and Maintenance of General Plant**

**2018 Actuals vs 2020 Test, 2015 Board Approved vs 2020 Test**

*Increase of \$401,000, Increase of \$419,000*

As outlined in the cost driver table and the cost driver analysis completed in Section 4.2 of this Exhibit, API is anticipating an increase in rent for its operations in Sault Ste. Marie in 2020 of approximately \$341,000. Section 4.4.6(V) and Appendix M of the DSP discuss alternatives considered in relation to API's long-term facility plans in the context of the expiry of its existing lease and evaluation of its operation requirements. API is committed to updating lease values during the hearing process as negotiations continue. The remainder of the increase is primarily due to general increases in labour, materials and contracted services within this program.

**Regulatory & Compliance**

**2018 Actuals vs 2020 Test**

*Increase of \$176,000*

The majority of the increase of \$176,000 from 2018 Actuals vs 2020 Test has been explained by the \$155,000 Regulatory Expenses identified in the cost driver table and the cost driver analysis completed in Section 4.2 of this Exhibit. \$135,000 of this increase is the sum of 20% of the costs of full integration of Dubreuil Lumber Inc. ( $\$550,000 \times 20\% = \$110,000$ ) along with an additional approximately \$25,000 in amortization of increased estimates for third-party and intervenor costs related to the current Application. The requirement to operate and maintain the distribution system in Dubreuilville during the 2017-2019 period are outside of API's control, as the result of OEB orders appointing API as the interim operator. The rationale for API's proposal to recover certain one-time costs related to the integration and acquisition of this distribution system was set out in Exhibits F-3-1 and F-3-2 of EB-2018-0271, and is summarized in Section 1.3.7 of Exhibit 1 of this Application.

## **4.4 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION**

### **4.4.1 EMPLOYEE COMPENSATION, INCENTIVE PLAN EXPENSES AND OTHER BENEFITS**

#### **Overview**

This Section of Exhibit 4 provides an overview of API's compensation framework including an outline of API's approach to employee incentive pay. Appendix 2-K (Employee Costs) of the OEB's Chapter 2 appendices provides a summary of total compensation costs from 2015 Board Approved to 2020 Test Year. Section 4.4.2 of this Exhibit provides explanations of year-over-year variances. Appendix 4A (Korn Ferry<sup>1</sup> Letter) projects 2020 salary increases, which has been used as a basis for estimating increases in 2020 over 2019. Section 4.4.3 of this Exhibit outlines the status of API's pension funding and assumptions used.

#### **Base Pay Compensation – Executive, Management, Non-Union Staff**

Overall compensation for all employees of API is designed to remain competitive with market compensation so as to attract and retain qualified personnel. Overall compensation includes base pay and a portion of the pay which is at risk. The following outlines the process followed by the Company in making changes to Management and Non-Union Compensation.

API uses the Korn Ferry's Job Evaluation method for position evaluation. This method of job evaluation is the most widely used job measurement system in the world. Position evaluations for the Executive positions were established by Korn Ferry. API Management and Non-Union positions are evaluated jointly with Korn Ferry trained personnel.

API uses a reference community of participants in the Korn Ferry Compensation Comparison. API uses this reference community to establish the market rates for similar positions in Ontario. To attract and retain qualified staff, the Company sets midpoint salaries using a policy line

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<sup>1</sup> Korn Ferry was previously the Hay Group

recommended by Korn Ferry management consultants. Actual salaries are set by reference to these recommendations and based on corporate and individual performance.

For members of the Executive, the Board of Directors of FortisOntario considers Korn Ferry compensation data and other policies to validate that the compensation practices are market competitive. All Executive salaries are set and all increases must be approved by the Board of Directors of FortisOntario.

All salary increases are based on market information provided by the Korn Ferry. The resulting salaries are reflective of base compensation for comparable-sized positions in the national marketplace. All salaries are approved by senior management and/or the Board of Directors as applicable. Executive and Management employees are not paid overtime. Certain Non-Union staff employees are eligible for overtime pay; for example, during emergency storm response situations.

### **Short-term Incentive Compensation Available to Management and Non-Union Staff**

#### ***Description***

One element of API's overall compensation package is incentive compensation. Implicit in the analysis contained in Korn Ferry management consultants' recommendations is the fact that incentive compensation is a normal component of compensation for management positions in Canadian corporations.

Incentive compensation for all employees for API reflects an element of compensation put at risk to elicit and sustain continued good performance. The more senior the employee, the greater the percentage of overall compensation is put at risk.

#### **Application**

The short-term incentive ("STI") plan is available to the Executive, Management and Non-Union staff of API. Unionized employees do not participate in the STI plan and do not receive incentive compensation.

1 **Format**

2 API's STI plan includes both an individual and a corporate component for all Executive,  
3 Management and Non-Union staff. Key aspects of this plan together with the targets are  
4 outlined below.

5 **Minimum Corporate Performance Criterion**

6 Prior to any incentive payments being made, a minimum corporate performance criterion, or  
7 trigger, must be reached. API must achieve a pre-determined corporate threshold/target as  
8 approved by the Board of Directors of FortisOntario Inc. ("FortisOntario"); otherwise, no  
9 incentive payments will be made. For more information on these criterion, see "Corporate  
10 Targets" below.

11 **Payout Summary**

12 ***Basis***

13 The STI payout is based on a percentage of annual salary and ranges between 5% and  
14 50% depending on position. STI's objectives are set annually and establish criteria upon  
15 which the corporation and the individual performance are to be measured. The  
16 objectives are then scored which will result in an STI rating between 0% and 150%.

17 The individual performance component is designed to better reflect the degree of  
18 opportunity which employees in each management group have to influence corporate  
19 performance. The weighting for the individual component varies by position level and  
20 ranges between 30% and 75%. The balance of the weighting is based on a corporate  
21 STI scorecard approved annually by the Board of Directors.

22 The incentive regime is structured in a manner that emphasizes the greater ability of  
23 the more senior individuals to affect corporate performance by making a greater  
24 portion of their compensation dependent on corporate as opposed to individual  
25 performance. For the President and CEO, and Vice Presidents, 70% of the incentive



1 opportunity is based on corporate performance and 30% on individual performance.  
2 For Management and Non-Union staff the split is 25% corporate and 75% individual.

### 3 **Corporate Targets**

4 Corporate targets may include the following: cost reduction, capital project completion,  
5 customer service, safety and environment, regulatory compliance, employee training,  
6 and reliability. Accordingly, all corporate incentive payments included in the 2015  
7 Actual to 2020 Test Year relate to benefits to ratepayers as described below. Corporate  
8 measures have three performance levels and are reflective of key corporate targets or  
9 goals.

10 Each of the corporate targets benefits the ratepayers. In particular, the cost reduction  
11 measure sets targets for reducing operating costs. The capital project measure sets  
12 targets for meeting budgeted capital project costs and completing projects with  
13 respect to scope and schedule. These measures are primarily customer-related as they  
14 represent a cost reduction target that directly benefits ratepayers through lower rates  
15 or rates that could otherwise be higher. Customer service corporate measures ensure  
16 efficient and effective levels of service that meet Board standards and service quality  
17 indices. Safety and environmental measures benefit the ratepayer by minimizing high  
18 risk incidents and promoting a proactive approach to managing safety and the  
19 environment. Regulatory compliance primarily benefits ratepayers as it ensures reliable  
20 supply of electricity, and efficient customer service at approved rates. Employee  
21 training primarily benefits ratepayers by ensuring that ratepayers receive appropriate  
22 service levels from employees by keeping abreast of various job-related skills including  
23 regulatory, safety and environmental, technical and customer service related policies  
24 and procedures. Reliability measures primarily benefit the ratepayer by ensuring a  
25 reliable supply of electricity.

1    **Individual Targets**

2    Individual targets, like the corporate targets, support the broader design objective of  
3    aligning the interests of all stakeholder groups in API with an overall focus on efficient  
4    delivery of service to customers.

5    Individual measures are developed in consultation with individuals and their immediate  
6    superiors. Each measure has three performance levels, is reflective of key projects or  
7    goals and focuses on departmental or divisional priorities. Individual measures may  
8    include the following: human resources, safety and environment, reliability, regulatory  
9    compliance, customer service, efficiencies, capital project completion, cost reduction  
10   and training targets. These measures primarily benefit ratepayers for the reasons  
11   discussed herein. Human Resources primarily benefit the ratepayer by ensuring that  
12   skilled personnel are recruited and retained to provide safe and reliable service and to  
13   maintain service levels. Cost reduction, capital project and efficiency measures relate to  
14   maintaining or reducing operating costs which flow directly to the ratepayer through  
15   stable rates. Safety and environment, training, reliability, regulatory compliance and  
16   customer service measures directly benefit ratepayers in the form of a safe and reliable  
17   supply of electricity in compliance with regulations and established customer service  
18   levels.

19   **Assessment and Payment**

20   The Board of Directors of FortisOntario, API's parent company, approves the corporate  
21   targets for all participants and the individual targets for the Executive. Corporate  
22   measures are reflective of key corporate targets or goals and are approved annually by  
23   the Board of Directors of FortisOntario. Actual corporate performance is assessed and  
24   approved annually by the Board of Directors of FortisOntario. Actual performance  
25   against individual targets is evaluated by the individual's immediate superior. The  
26   President and Chief Executive Officer makes recommendations in relation to the Vice  
27   Presidents' individual awards. The Board of Directors of FortisOntario makes  
28   recommendations and approves the President and Chief Executive Officer award, and

1 reviews the recommendations and approves payments respecting the Vice Presidents.  
2 Payments will be made generally in February, once all corporate and individual  
3 performance measures of the financial year have been finalized. API budgets for  
4 incentive payments at target payment levels.

5 **Other Benefits**

6 Other benefits include employer portion of Canadian Pension Plan, employer portion of  
7 Employment Insurance, Employee Health Tax expense, WSIB expense, defined  
8 contribution pension expense, insurance benefit, extended health and dental care plan  
9 expense, defined benefit pension expense, post-retirement benefit, share purchase plan  
10 top-up expense, wellness reimbursements (fitness memberships) and employee  
11 assistance plan services.

12 **Compensation for Unionized Employees**

13 Unionized employees of API are represented by the Power Workers Union CUPE Local  
14 1000 ("PWU Local 1000"). The terms of employment, including compensation, overtime  
15 and benefits are set out within the collective agreement between API and PWU Local  
16 1000 entered into January 1, 2017 – December 31, 2019. Unionized employees received  
17 2.0% wage increase on January 1, 2017, 2.00% wage increase on January 1, 2018, and  
18 2.25% on January 1, 2019.

#### 4.4.2 EMPLOYEE COSTS VARIANCE ANALYSIS

API has prepared Appendix 2-K using total FTEs. This includes FTEs that are employees of API, an allocation of FTEs included in the shared services and corporate cost allocations outlined in Section 4.5 of this Exhibit, and time directly charged to API from one of its affiliates within the FortisOntario group.

The number of FTEs, not the dollars, for the 2015 Board Approved were restated due to the following reasons:

- Seasonal employees were recorded incorrectly as 1.0 FTE in the original Board Approved when they should have been prorated based on time employed during the year
- Shared services and corporate cost allocation number of FTEs were overstated due to not correctly reducing the number of FTEs directly charged to billable and capital projects

The above corrections were made to the number of FTEs only as it was determined that the dollars for Salary and Wages, and Benefits had been appropriately calculated. The number of FTEs from the 2015 Board Approved (restated) to the 2020 Test Year has decreased by 4 FTEs, a 5.4% decrease.

Table 8 below is an excerpt from Appendix 2-K that has been submitted as part of this Application:

1

**Table 8 - OEB Appendix 2-K Employee Compensation**

|                                                                    | <b>Last Rebasing<br/>Year (2015 Board<br/>Approved)</b> | <b>Last Rebasing Year<br/>(2015 Board<br/>Approved<br/>Restated)</b> | <b>2015<br/>Actuals</b> | <b>2016<br/>Actuals</b> | <b>2017<br/>Actuals</b> | <b>2018<br/>Actuals</b> | <b>2019<br/>Bridge<br/>Year</b> | <b>2020 Test<br/>Year</b> |
|--------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|---------------------------|
| <b>Number of Employees (FTEs including Part-Time)</b>              |                                                         |                                                                      |                         |                         |                         |                         |                                 |                           |
| Management (including executive)                                   | 15                                                      | 15                                                                   | 12                      | 11                      | 10                      | 11                      | 11                              | 11                        |
| Non-Management (union and non-union)                               | 66                                                      | 59                                                                   | 59                      | 59                      | 59                      | 58                      | 60                              | 59                        |
| Total                                                              | 81                                                      | 74                                                                   | 71                      | 70                      | 69                      | 69                      | 71                              | 70                        |
| <b>Total Salary and Wages including overtime and incentive pay</b> |                                                         |                                                                      |                         |                         |                         |                         |                                 |                           |
| Management (including executive)                                   | \$1,663,095                                             | \$1,663,095                                                          | \$1,593,050             | \$1,527,913             | \$1,365,026             | \$1,464,209             | \$1,560,527                     | \$1,608,679               |
| Non-Management (union and non-union)                               | \$4,722,845                                             | \$4,722,845                                                          | \$5,066,718             | \$5,078,369             | \$5,090,533             | \$5,427,381             | \$5,671,376                     | \$5,843,490               |
| Total                                                              | \$6,385,940                                             | \$6,385,940                                                          | \$6,659,768             | \$6,606,283             | \$6,455,559             | \$6,891,590             | \$7,231,903                     | \$7,452,169               |
| <b>Total Benefits (Current + Accrued)</b>                          |                                                         |                                                                      |                         |                         |                         |                         |                                 |                           |
| Management (including executive)                                   | \$645,642                                               | \$645,642                                                            | \$446,204               | \$359,625               | \$358,614               | \$388,910               | \$403,538                       | \$367,350                 |
| Non-Management (union and non-union)                               | \$2,112,645                                             | \$2,112,645                                                          | \$2,106,901             | \$1,687,039             | \$1,888,383             | \$1,966,521             | \$2,080,049                     | \$1,760,359               |
| Total                                                              | \$2,758,287                                             | \$2,758,287                                                          | \$2,553,105             | \$2,046,664             | \$2,246,996             | \$2,355,431             | \$2,483,587                     | \$2,127,710               |
| <b>Total Compensation (Salary, Wages, &amp; Benefits)</b>          |                                                         |                                                                      |                         |                         |                         |                         |                                 |                           |
| Management (including executive)                                   | \$2,308,737                                             | \$2,308,737                                                          | \$2,039,254             | \$1,887,539             | \$1,723,640             | \$1,853,120             | \$1,964,065                     | \$1,976,029               |
| Non-Management (union and non-union)                               | \$6,835,490                                             | \$6,835,490                                                          | \$7,173,619             | \$6,765,408             | \$6,978,916             | \$7,393,902             | \$7,751,424                     | \$7,603,850               |
| Total                                                              | \$9,144,227                                             | \$9,144,227                                                          | \$9,212,873             | \$8,652,947             | \$8,702,556             | \$9,247,021             | \$9,715,489                     | \$9,579,879               |

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**VARIANCE ANALYSIS - FTEs**

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**2015 Board Approved (restated) to 2015 Actual**

There was a 3 (or 4.1%) FTE decrease from 2015 Board Approved (restated) to 2015 Actual. This was primarily due to a 3 FTE decrease in seasonal contract monitor and general labourer positions in the API forestry department. In lieu of temporary hiring of seasonal staff, API has utilized more third-party resourcing to complete its vegetation management program.

**2015 Actual to 2016 Actual**

There was a 1 (or 1.4%) decrease in FTE from 2015 Actual to 2016 Actual. This was primarily due to a 0.75 FTE decrease in staff allocated to API through the shared service and corporate allocation. Shared services have been discussed further in Section 4.5 of this Exhibit. The decrease was primarily due to short-term vacancies.

**2016 Actual to 2017 Actual**

There was a decrease from 2016 Actual to 2017 Actual of 1 (or 1.4%) FTE. This was due to a combination of a 1.25 FTE decrease due to a vacancy created in the Supervisor Technical Services position and additional temporary vacancies due to employee retirements in the operations group, offset by a partial reversal of the shared service FTE allocation decrease noted in the 2015 Actual to 2016 Actual explanation above.

**2017 Actual to 2018 Actual**

Although 2017 Actual to 2018 Actual total FTE did not change, there was an increase of 1 FTE in management with an offsetting decrease of 1 FTE in non-management. The increase in management was primarily due to the vacancies in the Supervisor Technical Service position as well as operational department retirement vacancies being filled. The 1 FTE decrease in non-management was primarily due to a 0.75 FTE decrease in shared service FTE allocation which was due to the combination of the elimination of IT department staff resulting from restructuring efforts sought to better align resources and more effectively deliver IT services.

**2018 Actual to 2019 Bridge**

There is a planned increase from 2018 Actual to 2019 Bridge Year of 2 (or 2.9%) FTEs. This is due to a combination of the planned hire of a new utility person within the operations group which replaces the tool person that retired in 2017, and increased shared service FTE allocation. The increase in shared service FTE staff is primarily due to staff hired in Finance to enhance processes and controls over financial and regulatory reporting.

**2019 Bridge to 2020 Test Year**

There is a decrease from 2019 Bridge Year to 2020 Test Year of 1 (or 1.4%) FTE, which is primarily due to a planned decrease in a general seasonal labourer in the API Forestry Department.

**Variance Analysis – Total Compensation**

Total compensation indicates a compound annual growth rate of 0.8% from 2015 Actual to 2020 Test Year. The increase can be explained due to economic and progression adjustments, slightly offset by the overall decline of 1 FTE between 2015 Actual to 2020 Test Year and a decline in benefit costs.

**Total Salary and Wages**

Total salary and wages demonstrate a compound annual growth rate of 2.3% year over year from 2015 Actual to 2020 Test Year. Increases are primarily due to individual progressions, economic adjustments and changes to staff mix. Offsetting this increase slightly is an overall decline of 1 FTE.

Negotiated collective bargaining unit increases and details regarding non-union and management salary increases and incentive payment structure are described in Section 4.4.1 of this Exhibit.

1    **Total Benefits**

2    Total benefits decreased by a compound annual growth rate of negative 3.6% year over year  
3    from 2015 Actual to 2020 Test Year. The main contributors are decreases to defined benefit  
4    pension plan and post retirement benefit expenses, which are described further in Section 4.4.3  
5    of this Exhibit.



#### 4.4.3 PENSION EXPENSE AND POST RETIREMENT BENEFITS EXPENSE

##### **Overview**

API participates in two pension plans: a defined benefit plan, the Retirement Fund of API, and a defined contribution plan, the Defined Contribution Plan of API.

##### **Defined Benefit Pension Plan**

API sponsors the Retirement Fund of API. Regular Power Workers Union employees hired after January 1, 1991 shall become a member of this plan after three (3) months of continuous service. The pension plan is a contributory defined-benefit pension plan whereby the member's contributions are based on the following:

Effective January 1, 2015 to November 27, 2016, members were required to contribute at a rate of 6.5% of gross earnings up to the year's maximum pensionable earnings ("YMPE") and 8.5% of gross earnings in excess of YMPE. For the period between November 28, 2016 and December 31, 2016, inclusive, 5.0% of gross earnings up to and including the YMPE and 7.0% of gross earnings, if any, in excess of the YMPE. For the 2017 plan year, 5.5% of gross earnings up to and including the YMPE and 7.5% of gross earnings, if any, in excess of the YMPE. For the 2018 plan year, 6.0% of gross earnings up to and including the YMPE and 8.0% of the gross earnings, if any, in excess of the YMPE and for the 2019 plan year and each plan year thereafter, 6.5% of gross earnings up to and including the YMPE and 8.5% of gross earnings, if any, in excess of the YMPE.

The members are comprised of current represented employees of the Power Workers Union, certain grandfathered Management and Non-Union employees, pensioners (previous employees) and beneficiaries of employees or pensioners. As of January 1, 2019, there are 33 active members and a total of 34 pensioners/beneficiaries receiving a pension.

The most recent actuarial valuation for the Retirement Fund of API was December 31, 2017. The actual valuation was filed with the Financial Services Commission of Ontario and has been

included as Appendix 4B within this Exhibit. The valuation showed that the plan had an excess of \$5,199,500, on a going-concern basis.

Table 9 below outlines Defined Benefit Pension Plan expenses, amounts included in internal labour burden rates that have been allocated to capital, and significant assumptions used from 2015 Board Approved to 2020 Test.

**Table 9 - Defined Benefit Pension Plan Expenses and Assumptions**

| <i>Defined Benefit Pension Plan</i>                     | 2015 Board Approved | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Bridge Year | 2020 Test Year |
|---------------------------------------------------------|---------------------|-------------|-------------|-------------|-------------|------------------|----------------|
| <i>Pension Expense</i>                                  | \$544,169           | \$567,041   | \$244,679   | \$424,566   | \$409,364   | \$385,811        | \$338,636      |
| <i>Pension Expense Allocated to Capital</i>             | \$176,526           | \$212,804   | \$97,687    | \$140,699   | \$172,850   | \$137,488        | \$122,164      |
| <b>Significant assumptions used:</b>                    |                     |             |             |             |             |                  |                |
| <i>Discount rate</i>                                    | 4.60%               | 4.20%       | 4.00%       | 3.60%       | 3.90%       | 3.70%            | 3.70%          |
| <i>Expected long-term rate of return on plan assets</i> | 5.80%               | 5.75%       | 5.50%       | 5.25%       | 5.25%       | 5.25%            | 5.25%          |
| <i>Rate of compensation increase</i>                    | 4.00%               | 4.00%       | 3.50%       | 3.50%       | 3.50%       | 3.50%            | 3.50%          |

The defined benefit pension expense amounts are prepared for API by Mercer (Canada) Limited ("Mercer"). In February 2019, Mercer provided an updated estimate of the 2020 pension expense amount based on current known market information as at January 31, 2019.

#### **Defined Contribution Pension Plan**

This plan is available to full-time, permanent, non-unionized employees after completing three (3) months of employment. As of January 1, 2019 there are 22 members in the plan. Members of the plan may make contributions ranging from 0% to 5% of their basic earnings. API is required to contribute an amount equal to 3% of earnings, in addition to matching the employee's

contributions to a maximum of 8%. Contributions cannot exceed the overall maximum under the Income Tax Act (Canada).

Table 10 below outlines Defined Contribution Pension Plan expenses for 2015 Board Approved to 2020 Test, and amounts that have been included in internal labour burden rates that have been allocated to capital.

**Table 10 - Defined Contribution Pension Plan Expenses**

|                                                  | 2015<br>Board<br>Approved | 2015<br>Actual | 2016<br>Actual | 2017<br>Actual | 2018<br>Actual | 2019<br>Bridge<br>Year | 2020 Test<br>Year |
|--------------------------------------------------|---------------------------|----------------|----------------|----------------|----------------|------------------------|-------------------|
| <i>Pension Premiums</i>                          | \$127,937                 | \$129,849      | \$121,500      | \$113,100      | \$135,359      | \$120,000              | \$123,000         |
| <i>Pension Premiums<br/>Allocated to Capital</i> | \$41,502                  | \$48,731       | \$48,508       | \$37,481       | \$57,154       | \$42,763               | \$44,373          |

### **Post-Retirement Benefits Expense**

API provides certain health, dental and life insurance benefits, under unfunded defined benefits plans, on behalf of its retired employees.

The post retirement benefit expense amounts are prepared for API by Mercer. In January 2019, Mercer provided updated estimates of the 2020 post retirement benefit expense amounts based on the current known market information as at January 31, 2019.

Table 11 below outlines Post Retirement Benefits expenses and assumptions used for 2015 Board Approved to 2020 Test.

**Table 11 - Post Retirement Benefits Expenses and Assumptions**

| <i>Post-Retirement Benefits Expense</i>                   | 2015 Board Approved | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Bridge Year | 2020 Test Year |
|-----------------------------------------------------------|---------------------|-------------|-------------|-------------|-------------|------------------|----------------|
| <i>Post-retirement benefit costs</i>                      | \$653,000           | \$819,000   | \$618,200   | \$661,200   | \$759,200   | \$433,111        | \$463,411      |
| <i>Post-retirement benefit costs Allocated to Capital</i> | \$211,831           | \$307,361   | \$246,813   | \$219,152   | \$320,566   | \$154,344        | \$167,177      |
| <b>Significant assumptions used:</b>                      |                     |             |             |             |             |                  |                |
| <i>Discount rate</i>                                      | 5.00%               | 4.20%       | 4.10%       | 3.70%       | 3.90%       | 3.90%            | 3.90%          |

**EB-2015-0040 Report of the Ontario Energy Board: Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs**

API uses the accrual accounting in rate setting for pension and OPEB amounts. As outlined in Exhibits 1 and 9, API has implemented variance accounts, effective January 1, 2018, to track the difference between the forecasted accrual amount in rates and actual cash payment(s) made. API has also calculated carrying charges in accordance with OEB guidance. At the end of the 2018, API had accrued \$7,452 in interest carrying charges payable back to the rate payer. Refer to Exhibit 9 for further details.

## **4.5 SHARED SERVICES & CORPORATE COST ALLOCATION**

API is a wholly owned subsidiary of FortisOntario Inc. ("FortisOntario"). FortisOntario also owns two other regulated distribution businesses licensed by the OEB; Canadian Niagara Power Inc. ("CNPI") and Cornwall Street Railway Light and Power Company Limited ("Cornwall Electric"). In addition, FortisOntario owns an unregulated district heating plant in Cornwall (i.e., Cornwall District Heating).

The business units of the FortisOntario group are as follows:

- FortisOntario (includes Executive and Cornwall District Heating)
- API;
- Cornwall Electric;
- CNPI – Distribution; and
- CNPI – Transmission.

### **Service Agreements**

Pursuant to a Services Agreement between FortisOntario and its Board licensed affiliates, API shares certain services with its affiliates. In addition to shared services, certain assets and employees are also shared. The Services Agreement is attached as Appendix 4C.

### **Corporate and Administrative Services – Shared Services**

In order to maximize efficiencies of scale and avoid duplication, certain administrative and corporate services are shared by the business units. The shared services include executive, finance, information technology, customer service, human resources, health, safety and environmental, regulatory and materials management. Cost-based pricing is used for the shared services. Allocation methodology is regularly reviewed and was most recently approved within Canadian Niagara Power Inc.'s EB-2016-0061 cost of service proceeding. The reasonableness of the allocation methodology had also been reviewed by a third party and the results were included in the BDR report included within CNPI's proceeding. Any changes that resulted from the BDR report within the CNPI application were incorporated into the 2017 actual allocated amounts. That same methodology has been reflected in 2017 Actuals through to 2020 Test within this Application.

**Allocation of Shared Assets**

In accordance with Board staff's preference as outlined in its submission dated October 17, 2014 within EB-2014-0055, API has presented costs related to shared computer hardware and software in OEB 4375 within this Application starting with 2015 Actuals. This change in approach was also outlined in Canadian Niagara Power Inc.'s EB-2016-0061 proceeding. The charged allocated is derived by calculating a return on the shared assets, adding the depreciation expense, and then including a gross up for taxes.

**Corporate Services – Fortis Inc.**

Fortis Inc., FortisOntario's parent company, allocates to the FortisOntario group, and other Fortis-owned companies, costs for strategic planning, finance and administrative services such as costs incurred related to the listing of Fortis shares on the Toronto Stock Exchange and New York Stock Exchange, and charges related to the administration of share purchase plans, and other costs. Consumers benefit from these services by providing API with access to capital, which provides the required capital investment in the API distribution system for a reliable and safe supply of electricity. The charges are allocated to FortisOntario. The charges allocated to FortisOntario are subsequently charged to the five business units within FortisOntario based on relative rate base and relative revenues. Cost-based pricing is used for the charges.

**Board of Director Related Costs**

There are no Board of Director-related costs for affiliates included in API's costs.

**Variance Analysis**

Appendix 2-N has been completed for 2015 Board Approved to 2020 Test as part of the Chapter 2 Appendices. Table 12 shown below details the variances from the last Board Approved, 2015, to the 2020 Test Year. The materiality threshold used for explanation of variances is \$125,000, as calculated in Exhibit 1.

1

**Table 12 – OEB Appendix 2-N Shared Services Variances**

Year: **2015 Board  
Approved**

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     | %                              | \$               |
| FortisOntario     | API | corporate services      | cost based          | 22%                            | 451,532          |
| FortisOntario     | API | building rent           | market based        | 13%                            | 70,123           |
| CNPI-Distribution | API | administrative services | cost based          | 24%                            | 1,418,934        |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 99,820           |

2

Year: **2015 Actual**

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     | %                              | \$               |
| FortisOntario     | API | corporate services      | cost based          | 22%                            | 447,185          |
| FortisOntario     | API | building rent           | market based        | 13%                            | 70,123           |
| CNPI-Distribution | API | administrative services | cost based          | 24%                            | 1,426,761        |
| CNPI-Distribution | API | shared IT               | cost based          | 34%                            | 525,645          |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 137,075          |

3

1

Year: 2016

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     |                                |                  |
|                   |     |                         |                     | %                              | \$               |
| FortisOntario     | API | corporate services      | cost based          | 22%                            | 469,380          |
| FortisOntario     | API | building rent           | market based        | 13%                            | 71,525           |
| CNPI-Distribution | API | administrative services | cost based          | 24%                            | 1,398,626        |
| CNPI-Distribution | API | shared IT               | cost based          | 34%                            | 584,954          |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 182,070          |

2

Year: 2017

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     |                                |                  |
|                   |     |                         |                     | %                              | \$               |
| FortisOntario     | API | corporate services      | cost based          | 22%                            | 493,618          |
| FortisOntario     | API | building rent           | market based        | 14%                            | 77,411           |
| CNPI-Distribution | API | administrative services | cost based          | 25%                            | 1,515,070        |
| CNPI-Distribution | API | shared IT               | cost based          | 35%                            | 571,402          |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 159,750          |

3



1

Year: 2018

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     |                                |                  |
|                   |     |                         |                     | %                              | \$               |
| FortisOntario     | API | corporate services      | cost based          | 22%                            | 479,140          |
| FortisOntario     | API | building rent           | market based        | 14%                            | 78,959           |
| CNPI-Distribution | API | administrative services | cost based          | 25%                            | 1,301,192        |
| CNPI-Distribution | API | shared IT               | cost based          | 35%                            | 572,282          |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 170,800          |

2

Year: 2019

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     |                                |                  |
|                   |     |                         |                     | %                              | \$               |
| FortisOntario     | API | corporate services      | cost based          | 22%                            | 521,540          |
| FortisOntario     | API | building rent           | market based        | 14%                            | 80,539           |
| CNPI-Distribution | API | administrative services | cost based          | 25%                            | 1,594,811        |
| CNPI-Distribution | API | shared IT               | cost based          | 35%                            | 546,529          |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 173,838          |

3

1

Year: 2020

**Shared Services and Corporate Cost Allocation**

| Name of Company   |     | Service Offered         | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
|-------------------|-----|-------------------------|---------------------|--------------------------------|------------------|
| From              | To  |                         |                     | %                              | \$               |
| FortisOntario     | API |                         |                     | 22%                            | 534,579          |
| FortisOntario     | API | building rent           | market based        | 14%                            | 82,552           |
| CNPI-Distribution | API | administrative services | cost based          | 25%                            | 1,665,334        |
| CNPI-Distribution | API | shared IT               | cost based          | 35%                            | 560,455          |
| Fortis Inc.       | API | administrative services | cost based          | 1%                             | 189,234          |

2

**3 Administrative Services from CNPI Distribution**

4 2018 Actual vs 2020 Test, 2015 Board Approved vs 2020 Test

5 *Increase of \$364,143, Increase of \$246,400*

6 As highlighted in Section 4.2 and 4.3 of this Exhibit, there has been an increase in administrative  
7 service allocations.

8 The increase of \$364,143 from 2018 Actuals to 2020 Test is primarily due to additional IT service  
9 costs that have been allocated related to a Managed Security Service Provider (MSSP)  
10 agreement established in order to address requirements of the OEB Cybersecurity Framework,  
11 staff hired in Finance both to fill short-term vacancies and to enhance processes and controls  
12 over financial and regulatory reporting, and an increased focus and effort on Health and Safety.

13 The increase of \$246,400 from 2015 Board Approved to 2020 Test is due to general increases in  
14 labour, material and contracted service costs. Additionally, IT service costs have been allocated  
15 related to a Managed Security Service Provider (MSSP) agreement established in order to  
16 address requirements of the OEB Cybersecurity Framework, staff hired in Finance to enhance  
17 processes and controls over financial and regulatory reporting, and an increased focus and

1 effort on Health and Safety. Offsetting some of the increase in shared services was the  
2 elimination of IT department staff resulting from restructuring efforts sought to better align  
3 resources and more effectively deliver services.

4 2015 Board Approved vs 2020 Test – Admin Services from CNPI Distribution

5 *Increase of \$560,455*

6 As outlined earlier in this Section, the increase of \$560,455 reflects the charge allocated to API  
7 for IT shared assets.

## **4.6 PURCHASES OF NON- AFFILIATE SERVICES, ONE TIME COST, REGULATORY COSTS**

### **4.6.1 NON-AFFILIATE SERVICES**

FortisOntario Policy MM100 (attached at Appendix 4D to this Exhibit) allows for outsourcing of service expenses primarily through two means:

#### **a) Competitive Procurement**

Policy MM100 states that processes such as a Request for Quotations ("RFQ"), Request for Proposals ("RFP") and Request for Information ("RFI") are to be used for purchases over \$10,000 (Contract A and Contract B scenario). Depending on the nature of the work and estimated expense, this could be a formal or informal process.

Contractors that have met API's Health, Safety and Environmental requirements are eligible to be included in the competitive bidding process. A bid document is sent to each of the qualified Contractors where they are asked to either provide a detailed proposal on the cost of the project or provide standard rates for labour and equipment to complete the work.

The responses are then evaluated by API using a number of criteria which may include: price, health and safety, environment, return on investment, delivery schedule, quality, and methodology. Based upon this evaluation, the Contractor that offers the best value to API is awarded the work.

In most cases the procurement process is handled directly by API, however in other cases this process might be managed by affiliates, parent companies, or through the North Eastern Buying Consortium (NEDBC) in order to leverage economies of scale.

#### **b) Single/Sole Source**

Policy MM100 allows for purchases over \$10,000 to have a single source of supply provided they meet specific requirements of Section 5.2 of the Policy. API has allowed

1 that purchases with an annual spend under \$10,000 can have a single source of supply  
2 in order to facilitate low dollar purchases.

3 As with Competitive Bidding, Contractors are selected through the pre-qualified list and  
4 are asked to submit a detailed proposal or rate sheet so all costs are fully understood.

5 Prior to 2018, the Vegetation Management program used a comparative analysis to  
6 measure the quoted rates of two primary suppliers against internal rates and historical  
7 trends to ensure value. As of late 2017 additional Providers were identified and the  
8 process is now being managed through formal competitive procurements.

9 Both procurement methods are subject to the rules and controls that API has built into their ERP  
10 system. The purpose being to provide visibility on the acquisition and to have an authorized  
11 approval for all goods and services purchased. Approval authorizations are tiered to specific  
12 positions within API with specific dollar limitations. Purchases over the \$30,000 limit become the  
13 responsibility of the API Executives to review and approve. This is done both in the ERP system  
14 and by having the VP1A Executive Authorization form signed. The VP1A form again is tiered to  
15 specific dollar amounts to provide visibility and to ensure that all high dollar expenses are  
16 authorized by one or more of the Executives.

17 API also employs a Corporate Buyer. The buyer is responsible to seek the optimal combination  
18 of logistics activities and their attributes such as price, quality, speed and security and to  
19 manage the resulting information and monetary flows. Additional responsibilities of the buyer  
20 include overseeing the acquisition, use and disposition of goods, materials and services to fulfill  
21 internal and external customer needs. The specific duties of the buyer include but are not limited  
22 to:

- 23 a) Administration of the FortisOntario Corporate Purchasing Policy MM100.
- 24 b) Prepare and administer competitive bidding documents and processes. This includes but  
25 is not limited to; issuing the bid, summarizing submissions, assisting with the review and  
26 selection process, finalizing and managing any contractual documents and the ongoing  
27 maintenance thereof.

- c) Review and evaluate purchase orders submitted through the ERP system to ensure reasonableness, accuracy and policy compliance prior to Management approval.
- d) Prepare and submit the VP1A form for Executive signoff.
- e) Review and investigate invoices for any price, product or service discrepancies.
- f) Develop new supply sources and stay abreast of new trends and innovations in routinely purchased supplies, materials, services and equipment.
- g) Maintain price lists on assigned commodities and negotiate prices and terms.
- h) Solicit labour and equipment rates for cost comparisons.

Table 13 below lists non-affiliated services that were purchased between 2015 and 2018 inclusive, that were sole-sourced in accordance with one or more of the exception criteria included in Section 5.2 of API's purchasing policy; a \$125,000 materiality threshold was used. Explanations for these exceptions are provided following the table.

**Table 13 – Sole-Source Exceptions by Year**

2015

| <b>Account</b> | <b>Vendor</b>                  | <b>Nature of Service</b> | <b>Exception Criteria</b> | <b>Annual Expense</b> |
|----------------|--------------------------------|--------------------------|---------------------------|-----------------------|
| 102353         | G&W CANADA INC                 | Reclosers                | 5.2(e)                    | \$ 270,719.75         |
| 103476         | POLLARI CONTRACTING            | Equipment Services       | 5.2(b); (d); (g)          | \$ 206,375.55         |
| 103729         | THOMAS & BETTS                 | Reclosers                | 5.2(e)                    | \$ 179,681.30         |
| 103594         | BULLETPROOF SOLUTIONS INC.     | Server Replacement       | 5.2(d); (g)               | \$ 150,261.91         |
| 100333         | POWERTEL UTILITIES CONTRACTORS | Tracked Vehicle Rentals  | 5.2(b)                    | \$ 132,715.23         |
| 103420         | M. MACINTYRE TRUCKING INC.     | Equipment Services       | 5.2(b); (d); (g)          | \$ 131,756.94         |

2016

| <b>Account</b> | <b>Vendor</b>              | <b>Nature of Service</b> | <b>Exception Criteria</b> | <b>Annual Expense</b> |
|----------------|----------------------------|--------------------------|---------------------------|-----------------------|
| 103420         | M. MACINTYRE TRUCKING INC. | Equipment Services       | 5.2(b); (d); (g)          | \$ 271,081.18         |
| 103621         | PICKARD CONSTRUCTION       | Equipment Services       | 5.2(b); (d); (g)          | \$ 266,135.31         |
| 103476         | POLLARI CONTRACTING        | Equipment Services       | 5.2(b); (d); (g)          | \$ 192,071.35         |
| 102353         | G&W CANADA INC             | Reclosers                | 5.2(e)                    | \$ 171,509.14         |
| 103376         | GARDINER MARINE            | Barging Circuit 4        | 5.2(b)                    | \$ 160,878.10         |

2017

| <b>Account</b> | <b>Vendor</b>                  | <b>Nature of Service</b>     | <b>Exception Criteria</b> | <b>Annual Expense</b> |
|----------------|--------------------------------|------------------------------|---------------------------|-----------------------|
| 103687         | J PROVOST CONTRACTING LTD      | Equipment Services           | 5.2(b); (d); (g)          | \$ 151,130.00         |
| 100333         | POWERTEL UTILITIES CONTRACTORS | Tracked Vehicle Rentals      | 5.2(b)                    | \$ 218,329.03         |
| 101521         | RODAN ENERGY SOLUTIONS INC     | Wholesale Meter Replacements | 5.2(d)                    | \$ 208,479.86         |
| 103323         | CASE CONSTRUCTION              | Equipment Services           | 5.2(b); (d); (g)          | \$ 169,487.49         |
| 103324         | CASE CONSTRUCTION              | Snow Plowing                 | Competitive Bid           | Included in Above     |

1

2018

| <b>Account</b> | <b>Vendor</b>                  | <b>Nature of Service</b> | <b>Exception Criteria</b> | <b>Annual Expense</b> |
|----------------|--------------------------------|--------------------------|---------------------------|-----------------------|
| 100333         | POWERTEL UTILITIES CONTRACTORS | Tracked vehicle rentals  | 5.2(b)                    | \$ 463,979.67         |
| 103621         | PICKARD CONSTRUCTION           | Equipment services       | 5.2(b); (d); (g)          | \$ 359,998.23         |
| 103476         | POLLARI CONTRACTING            | Equipment services       | 5.2(b); (d); (g)          | \$ 205,610.80         |
| 103477         | POLLARI CONTRACTING            | Snow plowing             | Competitive bid           | Included in above     |
| 103420         | M. MACINTYRE TRUCKING INC.     | Equipment services       | 5.2(b); (d); (g)          | \$ 201,093.21         |
| 103421         | M. MACINTYRE TRUCKING INC.     | Snow plowing             | Competitive bid           | Included in above     |
| 102353         | G&W CANADA INC                 | Reclosers                | 5.2(e)                    | \$ 173,825.64         |
| 103323         | CASE CONSTRUCTION              | Equipment services       | 5.2(b); (d); (g)          | \$ 163,615.08         |
| 103324         | CASE CONSTRUCTION              | Snow plowing             | Competitive bid           | Included in above     |

2

3 **Reclosers** – For three-phase reclosers, API's Engineering group has approved reclosers supplied  
4 by G&W Canada for use up to 35 kV, and reclosers supplied by Thomas & Betts for 44 kV  
5 applications. Standardization of this equipment is important to ensure that design clearances  
6 are met both during initial installation and replacement, for staff training on associated controls,  
7 for stocking of spare parts, and to minimize future SCADA integration issues.

**Equipment Services** – these services represent a large number of smaller jobs, related to excavation for pole setting, temporary access from roads to right of way, etc. While specific packages of work are not competitively bid, API prequalifies a number of vendors that are able to comply with its Health & Safety and Environmental requirements. Vendor selection for any specific task often depends on contractor availability and/or the availability of specialized equipment at the time each project, or as required during emergencies. API regularly compares pricing across all qualified contractors to ensure that it reflects market rates. These vendors have also recently bid on competitive snow plowing contracts, as reflected in the above table.

**2015 Server Replacement** – API was able to secure preferred pricing at significant discounts from a long-standing IT hardware supplier that also had an ability to supplement IT internal resources for the installation and ongoing support for this hardware.

**Tracked Vehicle Rentals** – these are specialized off-road equipment used for line work in areas not accessible by API's typical large fleet. Suppliers are limited, and PowerTel Utilities Contractors is currently the only vendor able to supply this equipment in a cost-effective manner, without an obligation to supply a dedicated operator.

**Barging** – this vendor was uniquely qualified (both in terms of experience and equipment) to perform a specific task for laying high-voltage submarine cable in an extremely remote area.

**Wholesale Meter Replacements** – Meter seals expired in 2017 on an above-average number of API's wholesale meters. As API's registered MSP, Rodan Energy Solutions was uniquely qualified to replace these meters.

#### 4.6.2 ONE-TIME COSTS

In compliance with OEB policy and the Filing Requirements, certain costs associated with this Cost of Service application are being amortized over a period of 5 years, by including one-fifth of the total cost in the 2020 Test Year. These regulatory costs, which are explained in detail in the next section, include costs related to consultants, legal representation, and intervenor cost awards. In accordance with the Filing Requirements, API commits to updating these forecasted costs in OEB Appendix 2-M at the Draft Rate Order stage of the proceeding.



1 In addition to costs associated with the current Application, API has included additional one-  
2 time costs of \$551,520 related to the recovery of costs forecasted to be recorded in its  
3 Transaction and Integration Costs Deferral Account, established in EB-2018-0271. The purpose  
4 of this account is to track costs associated with API taking control of the distribution business of  
5 DLI, one-time costs associated with API's interim operation of DLI's distribution system during  
6 the 2017-2019 period, and transaction and integration costs associated with API's proposed  
7 acquisition of DLI's distribution system. In that application, the OEB agreed with API that under  
8 the unique circumstances of its MAAD application with Dubreuil Lumber Inc. ("DLI"), it would be  
9 appropriate to allow Algoma to establish a deferral account to recover its reasonable transaction  
10 and integration costs in lieu of a deferred rebasing period.<sup>2</sup> API proposes to recover these costs  
11 by including one-fifth of the total costs in the 2020 Test Year, consistent with the approach put  
12 forward in the MAAD application. API has therefore requested that the OEB make a  
13 determination on this proposal, as a preliminary issue, as further detailed in Sections 1.3.4 and  
14 1.3.7 of Exhibit 1. API also identified in its Draft Rate Order in the EB-2018-0271 proceeding, that  
15 the total amount of approximately \$551,000 remains subject to a number of adjustments, some  
16 of which depend on the final outcome of the EB-2018-0271 proceeding. API commits to making  
17 any required adjustments pending the outcome of the EB-2018-0271 proceeding, and the OEB's  
18 decision on preliminary issues in the current Application.

19 With the exception of the one-time costs identified above, all other costs presented in the  
20 proposed 2020 test year OM&A budget are considered regular year over year expenses.

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<sup>2</sup> Decision and Order EB-2018-0271, April 4, 2019, p.23

#### 4.6.3 REGULATORY COSTS

API's regulatory costs include four major components. The first two relate to OEB assessment costs and the costs of staffing allocated to regulatory matters through shared service allocations to API. These costs are forecasted based on historical actuals and consideration of labour allocations in the 2020 Test Year.

The third major component of API's regulatory costs is the one-time costs associated with Cost of Service applications. These costs totaled approximately \$225,000 for API's 2015 Cost of Service application, or approximately \$45,000 per year amortized over the 2015-2019 period. Forecasted costs for the 2020 Cost of Service are estimated at \$353,500, as detailed in Table 14 below. These costs include consulting costs for completion of an asset condition assessment, assistance in preparing the Distribution System Plan, application-specific customer engagement activities, and regulatory consulting (load forecast, models and general assistance with the preparation of the Application). They also include intervenor cost awards, OEB costs, and legal costs related to the preparation and review of the Application and all components of the hearing process.

The fourth major component of API's regulatory costs are costs associated with API's interim operation of and proposed acquisition of DLI's distribution system, as further detailed in Section 4.6.2 above.

**Table 14 - Regulatory Costs specific to the 2020 Cost of Service**

|                                                | 2020         |
|------------------------------------------------|--------------|
| <i>Consultants – METSCO and TESI</i>           | \$73,500.00  |
| <i>Legal</i>                                   | \$110,000.00 |
| <i>Intervenor and OEB Costs (\$32,500 x 4)</i> | \$130,000.00 |
| <i>Customer Engagement and Other Costs</i>     | \$40,000.00  |
| <i>Total Cost</i>                              | \$353,500.00 |
| <i>Total Cost Amortized over 5 years</i>       | \$70,700.00  |

Table 15 on the next page shows Appendix 2-M which details regulatory costs for five historical years, bridge and test year. All regulatory costs listed in Table 15 are tracked in account 5655 – Regulatory Expenses. All one-time costs identified in the 2020 Test Year are amortized over a period of 5 years (2020-2024) such that one-fifth of these costs are included in API's 2020 revenue requirement.

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[illegible]

**Regulatory Costs (One-Time)**

|   |                                                                                               |                     |                     |           |           |           |        |           |         |
|---|-----------------------------------------------------------------------------------------------|---------------------|---------------------|-----------|-----------|-----------|--------|-----------|---------|
| 1 | Expert Witness costs                                                                          | 5655                |                     |           |           |           |        |           |         |
| 2 | Legal costs                                                                                   | 5655                | \$110,000           |           |           |           |        | \$110,000 |         |
| 3 | Consultants' costs                                                                            | 5655                | \$40,000            |           |           |           |        | \$73,500  |         |
| 4 | Incremental operating expenses associated with staff resources allocated to this application. | 5655                |                     |           |           |           |        |           |         |
| 5 | Incremental operating expenses associated with other resources allocated to this application. | 5655                |                     |           |           |           |        |           |         |
| 6 | Intervenor costs                                                                              | 5655                | \$75,000            |           |           |           |        | \$130,000 |         |
| 7 | OEB Section 30 Costs (application-related)                                                    | 5655                |                     |           |           |           |        |           |         |
| 8 | Customer Engagement and Other costs associated with this application                          | 5655                |                     |           |           |           |        | \$40,000  |         |
| 9 | Recovery of Transaction and Integration Deferral Account (EB-2018-0271)                       | 5655                |                     |           |           |           |        | \$551,520 |         |
|   |                                                                                               |                     |                     |           |           |           |        |           |         |
| 1 | Sub-total - Ongoing Costs                                                                     |                     | \$170,886           | \$240,992 | \$131,127 | \$151,580 | 15.60% | \$125,779 | -17.02% |
| 2 | Sub-total - One-time Costs                                                                    |                     | \$225,000           | \$0       | \$0       | \$0       |        | \$905,020 |         |
| 3 | Total (Ongoing + 1/5 of One-Time)                                                             |                     | \$215,886           | \$240,992 | \$140,088 | \$151,580 | 15.60% | \$306,783 | 102.39% |
|   |                                                                                               |                     |                     |           |           |           |        |           |         |
|   | <b>Application-Related One-Time Costs</b>                                                     | <b>Total (2020)</b> | <b>Total (2015)</b> |           |           |           |        |           |         |
|   | Total One-Time Costs Related to Application to be Amortized over IRM Period                   | \$905,020           | \$225,000           |           |           |           |        |           |         |
|   | 1/5 of Total One-Time Costs                                                                   | \$181,004           | \$45,000            |           |           |           |        |           |         |

## 4.7 LEAP, CHARTIABLE & POLITICAL DONATIONS

As set out in the March 2009, OEB issued Report of the Board: Low Income Energy Assistance Program (the LEAP Report), API has allocated at least 0.12% of its OEB-approved distribution revenue requirement to provide consumers assistance in response to affordability issues. Based on API's 2015 Board Approved Service Revenue Requirement of \$23,282,939, \$27,940 was designated as the minimum amount required for LEAP funding for 2015 Actuals to 2019 Bridge. For 2020 Test Year, API has used \$27,940 as a placeholder for LEAP funding in OEB 6205, but will adjust this amount through the interrogatory and draft rate order stages of the Application process.

In API, the Low-Income Energy Assistance Programs began in 2011 and API has continued to provide support for this program throughout each year presented. API has utilized Ontario Native Welfare Administrators Association ("ONWAA"), a First Nations organization as its lead organization to administer the LEAP program. This program administration has worked well to serve customers either on or off First Nations reserve lands with low incomes. Table 16 below outlines the LEAP funding reported within OEB 6205 for historical years:

**Table 16 – 2015-2018 Leap Funding (OEB 6205)**

| <b>Year</b> | <b>Leap fund<br/>received<br/>Distributor</b> |
|-------------|-----------------------------------------------|
| 2015        | \$24,239                                      |
| 2016        | \$31,641                                      |
| 2017        | \$27,940                                      |
| 2018        | \$27,940                                      |

API confirms that no charitable donations have been included in OM&A expenses for 2020 Test other than the LEAP funding noted above.

## 4.8 DEPRECIATION, AMORTIZATION, AND DEPLETION

### 4.8.1 OVERVIEW

In API's 2015 cost of service application (EB-2014-0055), API changed its capitalization policies and depreciation rates effective January 1, 2013. The Board's Kinectrics Report had been used as guideline in updating the depreciation/amortization rates. The rates used within this Application are the depreciation rates that were approved within the 2015 application. See Appendix 2-BB of the filing requirements for API's service lives implemented in 2013 as compared to the Kinectrics Report. API's depreciable lives and capitalization policy is discussed further in Exhibit 2.

Depreciation/amortization on capital assets is calculated by API as follows:

- The amount is calculated on a straight line basis over the estimated remaining useful life of the assets at the end of the previous year; plus
- For depreciation/amortization on capital additions during the current year, depreciation commences in the month following the month the asset is capitalized and ends in the month the asset is taken out of service. This methodology ensures an accurate and precise calculation of depreciation in both the beginning and ending year of service. API has historically used this methodology. The fixed asset module within SAP tracks and calculates depreciation.

API does not have any asset retirement obligations (AROs) or any associated depreciation or accretion expenses related to an asset retirement obligation.

API confirms that it has applied the half-year rule for the purposes of computing the net book value of capital assets to be included in rate base for both 2019 Bridge and 2020 Test. Under the half-year rule acquisitions and investments made during the year are amortized assuming they entered service at the mid-point of the year.

Table 17 below summarizes the depreciation expenses by year. Appendix 2-C of the Chapter 2 Appendices, and the amortization rate by OEB asset account is shown at the next page.

**Table 17 – Depreciation Expenses**

|                          |               | <i><b>IFRS</b></i> |
|--------------------------|---------------|--------------------|
| <i>2015 Amortization</i> | <i>Actual</i> | <i>\$3,415,760</i> |
| <i>2016 Amortization</i> | <i>Actual</i> | <i>\$3,646,029</i> |
| <i>2017 Amortization</i> | <i>Actual</i> | <i>\$3,785,987</i> |
| <i>2018 Amortization</i> | <i>Actual</i> | <i>\$3,986,777</i> |
| <i>2019 Amortization</i> | <i>Budget</i> | <i>\$4,195,204</i> |
| <i>2020 Amortization</i> | <i>Budget</i> | <i>\$4,497,643</i> |

In preparing Appendix 2-C, API noted that throughout the historical, Bridge and Test years, variances calculated by individual OEB account were less than the \$125,000 materiality level, with exception to the 1830 Poles, Towers & Fixtures, and 1835 Overhead Conductors & Devices accounts. API also generally noted that for the majority of the OEB accounts, actual depreciation was less than calculated for the years presented. The driving factor of this variance is likely due to the fact that when API modified asset depreciable lives in 2013 to better align with the Kinectrics report, in most instances the lives were extended. By extending the remaining lives of assets that existed pre January 1, 2013, the annual depreciation expenses for those assets over the new adjusted useful lives of those assets would be less than prior to the change in useful lives, which is likely causing the majority of the variances. The remaining variances are likely due to timing of the additions from year-to-year.



| Determination of Depreciation Expenses |                                                            |                                                       |                           |                      |              |                                  |       |                   |                              |                                                                                    |                       |
|----------------------------------------|------------------------------------------------------------|-------------------------------------------------------|---------------------------|----------------------|--------------|----------------------------------|-------|-------------------|------------------------------|------------------------------------------------------------------------------------|-----------------------|
| Year                                   |                                                            | 2015                                                  | MIFRS                     |                      |              |                                  |       |                   |                              |                                                                                    |                       |
| Account                                | Description                                                | Opening Regulatory<br>Gross PP&E as at Jan<br>1, 2015 | Less Fully<br>Depreciated | Net for Depreciation | Additions    | Total for Depreciation           | Years | Depreciation Rate | 2015 Depreciation<br>Expense | 2015 Depreciation<br>Expense per Appendix 2-<br>B Fixed Assets, Column<br>K<br>(l) | Variance <sup>2</sup> |
|                                        |                                                            | (a)                                                   | (b)                       | (c)                  | (d)          | (e) = (c) + ½ x (d) <sup>1</sup> | (f)   | (g) = 1 / (f)     | (h) = (e) / (f)              |                                                                                    | (m) = (h) - (l)       |
| 1611                                   | Computer Software (Formally known as Account 1925) - 5 yr  | \$966,807                                             | \$452,759                 | \$514,048            | \$9,516      | \$518,806                        | 5.00  | 20.00%            | \$103,761                    | \$90,851                                                                           | \$12,911              |
| 1611A                                  | Computer Software (Formally known as Account 1925) - 10 yr | \$1,540,526                                           | \$0                       | \$1,540,526          | \$174,910    | \$1,627,981                      | 10.00 | 10.00%            | \$162,798                    | \$155,477                                                                          | \$7,321               |
| 1612                                   | Land Rights (Formally known as Account 1906 and 1806)      | \$20,627,854                                          | \$0                       | \$20,627,854         | \$105,561    | \$20,680,634                     | 40.00 | 2.50%             | \$517,016                    | \$526,329                                                                          | -\$9,313              |
| 1805                                   | Land                                                       | \$568,413                                             | \$0                       | \$568,413            | \$54,756     | \$595,791                        | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1808                                   | Buildings - Fixtures                                       | \$813,813                                             | \$1,845                   | \$811,968            | \$383,886    | \$1,003,912                      | 50.00 | 2.00%             | \$20,078                     | \$17,130                                                                           | \$2,949               |
| 1808A                                  | Buildings - Components                                     | \$229,908                                             | \$7,500                   | \$222,408            | \$96,785     | \$270,800                        | 25.00 | 4.00%             | \$10,832                     | \$10,961                                                                           | -\$129                |
| 1810                                   | Leasehold Improvements                                     | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1815                                   | Transformer Station Equipment >50 kV                       | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1820                                   | Distribution Station Equipment <50 Kv - Stns               | \$9,890,514                                           | \$1,233,783               | \$8,656,731          | \$2,335,622  | \$9,824,542                      | 50.00 | 2.00%             | \$196,491                    | \$137,677                                                                          | \$58,813              |
| 1820A                                  | Distribution Station Equipment <50 kV - Switches/Breakers  | \$1,446,006                                           | \$13,148                  | \$1,432,858          | \$718,383    | \$1,792,050                      | 40.00 | 2.50%             | \$44,801                     | \$31,615                                                                           | \$13,186              |
| 1825                                   | Storage Battery Equipment                                  | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1830                                   | Poles, Towers & Fixtures                                   | \$54,990,624                                          | \$5,293,506               | \$49,697,118         | \$2,128,942  | \$50,761,590                     | 45.00 | 2.22%             | \$1,128,035                  | \$877,565                                                                          | \$250,470             |
| 1835                                   | Overhead Conductors & Devices                              | \$27,138,337                                          | \$3,089,842               | \$24,048,495         | \$3,518,776  | \$25,807,883                     | 45.00 | 2.22%             | \$573,509                    | \$447,538                                                                          | \$125,970             |
| 1840                                   | Underground Conduit                                        | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1845                                   | Underground Conductors & Devices                           | \$1,567,812                                           | \$59,851                  | \$1,507,961          | \$201,810    | \$1,608,866                      | 40.00 | 2.50%             | \$40,222                     | \$36,037                                                                           | \$4,185               |
| 1850                                   | Line Transformers                                          | \$11,904,267                                          | \$1,197,236               | \$10,707,031         | \$274,945    | \$10,844,504                     | 40.00 | 2.50%             | \$271,113                    | \$183,042                                                                          | \$88,071              |
| 1855                                   | Services (Overhead & Underground)                          | \$3,361,906                                           | \$866,373                 | \$2,495,533          | \$0          | \$2,495,533                      | 40.00 | 2.50%             | \$62,388                     | \$41,003                                                                           | \$21,385              |
| 1860                                   | Meters                                                     | \$2,022,670                                           | \$510,969                 | \$1,511,701          | \$30,081     | \$1,526,741                      | 30.00 | 3.33%             | \$50,891                     | \$19,120                                                                           | \$31,772              |
| 1860A                                  | Meters (Smart Meters)                                      | \$3,546,764                                           | \$0                       | \$3,546,764          | \$45,691     | \$3,569,609                      | 15.00 | 6.67%             | \$237,974                    | \$237,184                                                                          | \$790                 |
| 1860B                                  | Meters - PT's and CT's                                     | \$244,424                                             | \$9,395                   | \$235,029            | \$4,725      | \$237,391                        | 30.00 | 3.33%             | \$7,913                      | \$6,918                                                                            | \$995                 |
| 1865                                   | Other Installations on Customer's Premises                 | \$194,063                                             | \$0                       | \$194,063            | \$0          | \$194,063                        | 10.00 | 10.00%            | \$19,406                     | \$19,406                                                                           | \$0                   |
| 1875                                   | Street Lighting and Signal Systems                         | \$16,523                                              | \$16,523                  | \$0                  | \$0          | \$0                              | 20.00 | 5.00%             | \$0                          | \$0                                                                                | \$0                   |
| 1905                                   | Land                                                       | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1908                                   | Buildings & Fixtures                                       | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1910                                   | Leasehold Improvements                                     | \$43,398                                              | \$43,398                  | \$0                  | \$31,962     | \$15,981                         | 4.00  | 25.00%            | \$3,995                      | \$3,995                                                                            | \$0                   |
| 1915                                   | Office Furniture & Equipment (10 years)                    | \$1,437,049                                           | \$931,243                 | \$505,806            | \$18,382     | \$514,998                        | 10.00 | 10.00%            | \$51,500                     | \$45,595                                                                           | \$5,904               |
| 1915                                   | Office Furniture & Equipment (5 years)                     | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | 10.00 | 10.00%            | \$0                          | \$0                                                                                | \$0                   |
| 1920                                   | Computer Equipment - Hardware                              | \$1,022,788                                           | \$376,317                 | \$646,471            | \$174,074    | \$733,508                        | 5.00  | 20.00%            | \$146,702                    | \$135,421                                                                          | \$11,280              |
| 1920                                   | Computer Equip.-Hardware(Post Mar. 22/04)                  | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | 5.00  | 20.00%            | \$0                          | \$0                                                                                | \$0                   |
| 1920                                   | Computer Equip.-Hardware(Post Mar. 19/07)                  | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | 5.00  | 20.00%            | \$0                          | \$0                                                                                | \$0                   |
| 1930                                   | Transportation Equipment - 5 Yr                            | \$1,269,437                                           | \$597,842                 | \$671,595            | \$57,395     | \$700,293                        | 5.00  | 20.00%            | \$140,059                    | \$134,984                                                                          | \$5,075               |
| 1930A                                  | Transportation Equipment - 10 Yr                           | \$3,554,358                                           | \$1,872,231               | \$1,682,127          | \$381,246    | \$1,872,751                      | 10.00 | 10.00%            | \$187,275                    | \$143,974                                                                          | \$43,301              |
| 1935                                   | Stores Equipment                                           | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1940                                   | Tools, Shop & Garage Equipment                             | \$1,866,118                                           | \$1,093,995               | \$772,123            | \$31,520     | \$787,883                        | 10.00 | 10.00%            | \$78,788                     | \$76,460                                                                           | \$2,329               |
| 1945                                   | Measurement & Testing Equipment                            | \$208,449                                             | \$100,192                 | \$108,257            | \$16,667     | \$116,590                        | 10.00 | 10.00%            | \$11,659                     | \$11,242                                                                           | \$417                 |
| 1950                                   | Power Operated Equipment                                   | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1955                                   | Communications Equipment                                   | \$455,982                                             | \$14,767                  | \$441,215            | \$21,575     | \$452,002                        | 10.00 | 10.00%            | \$45,200                     | \$44,452                                                                           | \$748                 |
| 1955                                   | Communication Equipment (Smart Meters)                     | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | 10.00 | 10.00%            | \$0                          | \$0                                                                                | \$0                   |
| 1960                                   | Miscellaneous Equipment - 10 yr                            | \$125,107                                             | \$105,814                 | \$19,293             | \$6,388      | \$22,487                         | 10.00 | 10.00%            | \$2,249                      | \$2,293                                                                            | -\$44                 |
| 1960A                                  | Miscellaneous Equipment - 5 yr                             | \$465,748                                             | \$465,748                 | \$0                  | \$0          | \$0                              | 5.00  | 20.00%            | \$0                          | \$0                                                                                | \$0                   |
| 1970                                   | Load Management Controls Customer Premises                 | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1975                                   | Load Management Controls Utility Premises                  | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1980                                   | System Supervisor Equipment                                | \$5,012                                               | \$0                       | \$5,012              | \$107,182    | \$58,603                         | 20.00 | 5.00%             | \$2,930                      | \$249                                                                              | \$2,681               |
| 1985                                   | Miscellaneous Fixed Assets                                 | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1990                                   | Other Tangible Property                                    | \$0                                                   | \$0                       | \$0                  | \$0          | \$0                              | -     |                   | \$0                          | \$0                                                                                | \$0                   |
| 1995                                   | Contributions & Grants                                     | -\$626,753                                            | \$0                       | -\$626,753           | -\$157,118   | -\$705,312                       | -     |                   | \$0                          | -\$20,758                                                                          | \$20,758              |
| etc.                                   |                                                            |                                                       |                           | \$0                  |              | \$0                              |       |                   | \$0                          |                                                                                    | \$0                   |
| etc.                                   |                                                            |                                                       |                           | \$0                  |              | \$0                              |       |                   | \$0                          |                                                                                    | \$0                   |
| etc.                                   |                                                            |                                                       |                           | \$0                  |              | \$0                              |       |                   | \$0                          |                                                                                    | \$0                   |
|                                        |                                                            |                                                       |                           | \$0                  |              | \$0                              |       |                   | \$0                          |                                                                                    | \$0                   |
|                                        | <b>Total</b>                                               | \$150,897,924                                         | \$18,354,277              | \$132,543,647        | \$10,773,665 | \$137,930,479                    |       |                   | \$4,117,585                  | \$3,415,760                                                                        | \$701,825             |

Determination of Depreciation Expenses

|         |                                                            | Year                                            | 2016                   | MIFRS                |                    |                                  |       |                   |                           |                                                                       |                       |
|---------|------------------------------------------------------------|-------------------------------------------------|------------------------|----------------------|--------------------|----------------------------------|-------|-------------------|---------------------------|-----------------------------------------------------------------------|-----------------------|
| Account | Description                                                | Opening Regulatory Gross PP&E as at Jan 1, 2016 | Less Fully Depreciated | Net for Depreciation | Additions          | Total for Depreciation           | Years | Depreciation Rate | 2016 Depreciation Expense | 2016 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (I) | Variance <sup>2</sup> |
|         |                                                            | (a)                                             | (b)                    | (c)                  | (d)                | (e) = (c) + ½ x (d) <sup>1</sup> | (f)   | (g) = 1 / (f)     | (h) = (e) / (f)           |                                                                       | (m) = (h) - (I)       |
| 1611    | Computer Software (Formally known as Account 1925)         | \$976,323                                       | \$636,326              | \$339,997            | \$0                | \$339,997                        | 5.00  | 20.00%            | \$67,999                  | \$62,136                                                              | \$5,863               |
| 1611A   | Computer Software (Formally known as Account 1925) - 10 yr | \$1,715,436                                     | \$0                    | \$1,715,436          | \$158,668          | \$1,794,770                      | 10.00 | 10.00%            | \$179,477                 | \$173,116                                                             | \$6,362               |
| 1612    | Land Rights (Formally known as Account 1906 and 1806)      | \$20,733,415                                    | \$0                    | \$20,733,415         | \$113,561          | \$20,790,195                     | 40.00 | 2.50%             | \$519,755                 | \$529,207                                                             | -\$9,453              |
| 1805    | Land                                                       | \$623,169                                       | \$0                    | \$623,169            | \$87,734           | \$667,036                        | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1808    | Buildings                                                  | \$1,197,700                                     | \$1,845                | \$1,195,855          | -\$16              | \$1,195,847                      | 50.00 | 2.00%             | \$23,917                  | \$22,339                                                              | \$1,578               |
| 1808A   | Buildings - Components                                     | \$326,693                                       | \$7,500                | \$319,193            | \$0                | \$319,193                        | 25.00 | 4.00%             | \$12,768                  | \$14,341                                                              | -\$1,573              |
| 1810    | Leasehold Improvements                                     | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1815    | Transformer Station Equipment >50 kV                       | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1820    | Distribution Station Equipment <50 Kv - Stns               | \$12,226,135                                    | \$1,233,783            | \$10,992,352         | \$582,655          | \$11,283,680                     | 50.00 | 2.00%             | \$225,674                 | \$183,435                                                             | \$42,239              |
| 1820A   | Distribution Station Equipment <50 kV - Switches/Breakers  | \$2,164,390                                     | \$13,148               | \$2,151,242          | \$114,486          | \$2,208,485                      | 40.00 | 2.50%             | \$55,212                  | \$49,850                                                              | \$5,362               |
| 1825    | Storage Battery Equipment                                  | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1830    | Poles, Towers & Fixtures                                   | \$57,063,705                                    | \$5,237,752            | \$51,825,953         | \$2,093,867        | \$52,872,886                     | 45.00 | 2.22%             | \$1,174,953               | \$920,314                                                             | \$254,639             |
| 1835    | Overhead Conductors & Devices                              | \$30,644,609                                    | \$3,077,338            | \$27,567,271         | \$4,235,505        | \$29,685,023                     | 45.00 | 2.22%             | \$659,667                 | \$530,542                                                             | \$129,126             |
| 1840    | Underground Conduit                                        | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1845    | Underground Conductors & Devices                           | \$1,769,622                                     | \$59,851               | \$1,709,771          | \$87,986           | \$1,753,764                      | 40.00 | 2.50%             | \$43,844                  | \$40,402                                                              | \$3,442               |
| 1850    | Line Transformers                                          | \$12,179,212                                    | \$1,197,236            | \$10,981,976         | \$437,130          | \$11,200,541                     | 40.00 | 2.50%             | \$280,014                 | \$191,951                                                             | \$88,063              |
| 1855    | Services (Overhead & Underground)                          | \$3,361,906                                     | \$866,373              | \$2,495,533          | \$0                | \$2,495,533                      | 40.00 | 2.50%             | \$62,388                  | \$41,006                                                              | \$21,382              |
| 1860    | Meters                                                     | \$1,162,222                                     | \$246,360              | \$915,862            | \$0                | \$915,862                        | 30.00 | 3.33%             | \$30,529                  | \$20,121                                                              | \$10,407              |
| 1860A   | Meters (Smart Meters)                                      | \$3,592,454                                     | \$0                    | \$3,592,454          | \$65,019           | \$3,624,964                      | 15.00 | 6.67%             | \$241,664                 | \$240,034                                                             | \$1,630               |
| 1860B   | Meters - PT's and CT's                                     | \$249,149                                       | \$9,395                | \$239,754            | \$0                | \$239,754                        | 30.00 | 3.33%             | \$7,992                   | \$7,075                                                               | \$917                 |
| 1865    | Other Installations on Customer's Premises                 | \$194,063                                       | \$0                    | \$194,063            | \$0                | \$194,063                        | 10.00 | 10.00%            | \$19,406                  | \$19,406                                                              | \$0                   |
| 1875    | Street Lighting and Signal Systems                         | \$16,523                                        | \$16,523               | \$0                  | \$0                | \$0                              | 20.00 | 5.00%             | \$0                       | \$0                                                                   | \$0                   |
| 1905    | Land                                                       | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1908    | Buildings & Fixtures                                       | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1910    | Leasehold Improvements                                     | \$75,360                                        | \$43,398               | \$31,962             | \$0                | \$31,962                         | 4.00  | 25.00%            | \$7,991                   | \$7,991                                                               | \$0                   |
| 1915    | Office Furniture & Equipment (10 years)                    | \$366,426                                       | \$228,739              | \$137,687            | -\$2               | \$137,686                        | 10.00 | 10.00%            | \$13,769                  | \$13,581                                                              | \$188                 |
| 1915    | Office Furniture & Equipment (5 years)                     | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equipment - Hardware                              | \$1,196,862                                     | \$420,566              | \$776,296            | \$29,339           | \$790,966                        | 5.00  | 20.00%            | \$158,193                 | \$145,313                                                             | \$12,880              |
| 1920    | Computer Equip.-Hardware(Post Mar. 22/04)                  | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equip.-Hardware(Post Mar. 19/07)                  | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1930    | Transportation Equipment - 5 Yr                            | \$1,230,336                                     | \$510,681              | \$719,655            | \$130,347          | \$784,829                        | 5.00  | 20.00%            | \$156,966                 | \$142,534                                                             | \$14,431              |
| 1930A   | Transportation Equipment - 10 Yr                           | \$3,686,769                                     | \$1,623,395            | \$2,063,374          | \$401,059          | \$2,263,903                      | 10.00 | 10.00%            | \$226,390                 | \$177,289                                                             | \$49,101              |
| 1935    | Stores Equipment                                           | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1940    | Tools, Shop & Garage Equipment                             | \$1,767,218                                     | \$1,066,648            | \$700,570            | \$51,332           | \$726,236                        | 10.00 | 10.00%            | \$72,624                  | \$69,653                                                              | \$2,971               |
| 1945    | Measurement & Testing Equipment                            | \$225,116                                       | \$100,192              | \$124,924            | \$0                | \$124,924                        | 10.00 | 10.00%            | \$12,492                  | \$12,493                                                              | -\$1                  |
| 1950    | Power Operated Equipment                                   | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1955    | Communications Equipment                                   | \$477,557                                       | \$16,909               | \$460,648            | \$14,173           | \$467,734                        | 10.00 | 10.00%            | \$46,773                  | \$46,127                                                              | \$646                 |
| 1955    | Communication Equipment (Smart Meters)                     | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1960    | Miscellaneous Equipment - 10 yr                            | \$131,495                                       | \$105,814              | \$25,681             | \$6,965            | \$29,163                         | 10.00 | 10.00%            | \$2,916                   | \$2,911                                                               | \$5                   |
| 1960A   | Miscellaneous Equipment - 5 yr                             | \$465,748                                       | \$465,748              | \$0                  | \$1,571            | \$785                            | 5.00  | 20.00%            | \$157                     | \$288                                                                 | -\$131                |
| 1970    | Load Management Controls Customer Premises                 | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1975    | Load Management Controls Utility Premises                  | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1980    | System Supervisor Equipment                                | \$112,194                                       | \$0                    | \$112,194            | \$13,790           | \$119,089                        | 20.00 | 5.00%             | \$5,954                   | \$6,153                                                               | -\$199                |
| 1985    | Miscellaneous Fixed Assets                                 | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   |                           | \$0                                                                   | \$0                   |
| 1990    | Other Tangible Property                                    | \$0                                             | \$0                    | \$0                  | \$0                | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1995    | Contributions & Grants                                     | -\$783,871                                      | \$0                    | -\$783,871           | \$27,284           | -\$770,229                       | -     |                   | \$0                       | -\$23,580                                                             | \$23,580              |
| etc.    |                                                            |                                                 |                        | \$0                  |                    | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |                    | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |                    | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
|         |                                                            |                                                 |                        | \$0                  |                    | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
|         | <b>Total</b>                                               | <b>\$159,147,935</b>                            | <b>\$17,185,520</b>    | <b>\$141,962,415</b> | <b>\$8,652,454</b> | <b>\$146,288,642</b>             |       |                   | <b>\$4,309,485</b>        | <b>\$3,646,029</b>                                                    | <b>\$663,456</b>      |

Determination of Depreciation Expenses

|         |                                                            | Year                                            | 2017                   | MIFRS                |             |                                  |       |                   |                           |                                                                       |                       |
|---------|------------------------------------------------------------|-------------------------------------------------|------------------------|----------------------|-------------|----------------------------------|-------|-------------------|---------------------------|-----------------------------------------------------------------------|-----------------------|
| Account | Description                                                | Opening Regulatory Gross PP&E as at Jan 1, 2017 | Less Fully Depreciated | Net for Depreciation | Additions   | Total for Depreciation           | Years | Depreciation Rate | 2017 Depreciation Expense | 2017 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (I) | Variance <sup>2</sup> |
|         |                                                            | (a)                                             | (b)                    | (c)                  | (d)         | (e) = (c) + ½ x (d) <sup>1</sup> | (f)   | (g) = 1 / (f)     | (h) = (e) / (f)           |                                                                       | (m) = (h) - (I)       |
| 1611    | Computer Software (Formally known as Account 1925)         | \$926,690                                       | \$837,497              | \$89,193             | \$0         | \$89,193                         | 5.00  | 20.00%            | \$17,839                  | \$17,804                                                              | \$35                  |
| 1611A   | Computer Software (Formally known as Account 1925) - 10 yr | \$1,874,104                                     | \$0                    | \$1,874,104          | -\$1,250    | \$1,873,479                      | 10.00 | 10.00%            | \$187,348                 | \$188,692                                                             | -\$1,344              |
| 1612    | Land Rights (Formally known as Account 1906 and 1806)      | \$20,846,976                                    | \$0                    | \$20,846,976         | \$67,628    | \$20,880,790                     | 40.00 | 2.50%             | \$522,020                 | \$531,680                                                             | -\$9,660              |
| 1805    | Land                                                       | \$710,903                                       | \$0                    | \$710,903            | \$0         | \$710,903                        | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1808    | Buildings                                                  | \$1,197,684                                     | \$24,335               | \$1,173,349          | \$136,406   | \$1,241,552                      | 50.00 | 2.00%             | \$24,831                  | \$22,073                                                              | \$2,758               |
| 1808A   | Buildings - Components                                     | \$326,693                                       | \$7,500                | \$319,193            | \$295,631   | \$467,008                        | 25.00 | 4.00%             | \$18,680                  | \$14,374                                                              | \$4,307               |
| 1810    | Leasehold Improvements                                     | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1815    | Transformer Station Equipment >50 kV                       | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1820    | Distribution Station Equipment <50 Kv - Stns               | \$12,808,791                                    | \$1,233,783            | \$11,575,008         | \$64,944    | \$11,607,480                     | 50.00 | 2.00%             | \$232,150                 | \$194,295                                                             | \$37,854              |
| 1820A   | Distribution Station Equipment <50 kV - Switches/Breakers  | \$2,278,876                                     | \$13,148               | \$2,265,728          | -\$44       | \$2,265,706                      | 40.00 | 2.50%             | \$56,643                  | \$52,502                                                              | \$4,141               |
| 1825    | Storage Battery Equipment                                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1830    | Poles, Towers & Fixtures                                   | \$59,094,262                                    | \$5,174,442            | \$53,919,820         | \$1,917,510 | \$54,878,575                     | 45.00 | 2.22%             | \$1,219,524               | \$970,351                                                             | \$249,173             |
| 1835    | Overhead Conductors & Devices                              | \$34,855,529                                    | \$3,052,754            | \$31,802,775         | \$3,496,590 | \$33,551,070                     | 45.00 | 2.22%             | \$745,579                 | \$622,132                                                             | \$123,447             |
| 1840    | Underground Conduit                                        | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1845    | Underground Conductors & Devices                           | \$1,857,608                                     | \$59,851               | \$1,797,757          | \$54,611    | \$1,825,062                      | 40.00 | 2.50%             | \$45,627                  | \$42,251                                                              | \$3,376               |
| 1850    | Line Transformers                                          | \$12,616,342                                    | \$1,197,236            | \$11,419,106         | \$254,467   | \$11,546,340                     | 40.00 | 2.50%             | \$288,659                 | \$201,674                                                             | \$86,984              |
| 1855    | Services (Overhead & Underground)                          | \$3,361,906                                     | \$866,373              | \$2,495,533          | \$0         | \$2,495,533                      | 40.00 | 2.50%             | \$62,388                  | \$41,012                                                              | \$21,376              |
| 1860    | Meters                                                     | \$1,162,222                                     | \$246,360              | \$915,862            | \$0         | \$915,862                        | 30.00 | 3.33%             | \$30,529                  | \$20,124                                                              | \$10,405              |
| 1860A   | Meters (Smart Meters)                                      | \$3,657,473                                     | \$0                    | \$3,657,473          | \$203,804   | \$3,759,375                      | 15.00 | 6.67%             | \$250,625                 | \$244,526                                                             | \$6,099               |
| 1860B   | Meters - PT's and CT's                                     | \$249,149                                       | \$9,395                | \$239,754            | \$0         | \$239,754                        | 30.00 | 3.33%             | \$7,992                   | \$7,076                                                               | \$916                 |
| 1865    | Other Installations on Customer's Premises                 | \$194,063                                       | \$0                    | \$194,063            | \$0         | \$194,063                        | 10.00 | 10.00%            | \$19,406                  | \$19,406                                                              | \$0                   |
| 1875    | Street Lighting and Signal Systems                         | \$16,523                                        | \$16,523               | \$0                  | \$0         | \$0                              | 20.00 | 5.00%             | \$0                       | \$0                                                                   | \$0                   |
| 1905    | Land                                                       | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1908    | Buildings & Fixtures                                       | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1910    | Leasehold Improvements                                     | \$75,360                                        | \$43,398               | \$31,962             | \$0         | \$31,962                         | 4.00  | 25.00%            | \$7,991                   | \$7,990                                                               | \$1                   |
| 1915    | Office Furniture & Equipment (10 years)                    | \$366,424                                       | \$235,785              | \$130,639            | \$19,942    | \$140,610                        | 10.00 | 10.00%            | \$14,061                  | \$13,492                                                              | \$569                 |
| 1915    | Office Furniture & Equipment (5 years)                     | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equipment - Hardware                              | \$914,084                                       | \$341,843              | \$572,241            | \$57,830    | \$601,156                        | 5.00  | 20.00%            | \$120,231                 | \$112,412                                                             | \$7,820               |
| 1920    | Computer Equip.-Hardware(Post Mar. 22/04)                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equip.-Hardware(Post Mar. 19/07)                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1930    | Transportation Equipment - 5 Yr                            | \$1,223,585                                     | \$559,053              | \$664,532            | \$69,916    | \$699,489                        | 5.00  | 20.00%            | \$139,898                 | \$133,301                                                             | \$6,596               |
| 1930A   | Transportation Equipment - 10 Yr                           | \$3,801,260                                     | \$1,346,448            | \$2,454,812          | \$535,538   | \$2,722,581                      | 10.00 | 10.00%            | \$272,258                 | \$214,287                                                             | \$57,971              |
| 1935    | Stores Equipment                                           | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1940    | Tools, Shop & Garage Equipment                             | \$1,782,692                                     | \$1,103,373            | \$679,319            | \$84,941    | \$721,789                        | 10.00 | 10.00%            | \$72,179                  | \$67,658                                                              | \$4,521               |
| 1945    | Measurement & Testing Equipment                            | \$225,116                                       | \$100,192              | \$124,924            | \$0         | \$124,924                        | 10.00 | 10.00%            | \$12,492                  | \$12,493                                                              | -\$1                  |
| 1950    | Power Operated Equipment                                   | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1955    | Communications Equipment                                   | \$491,730                                       | \$16,909               | \$474,821            | \$4,600     | \$477,121                        | 10.00 | 10.00%            | \$47,712                  | \$47,502                                                              | \$210                 |
| 1955    | Communication Equipment (Smart Meters)                     | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1960    | Miscellaneous Equipment - 10 yr                            | \$138,460                                       | \$111,116              | \$27,344             | \$4,092     | \$29,390                         | 10.00 | 10.00%            | \$2,939                   | \$2,703                                                               | \$236                 |
| 1960A   | Miscellaneous Equipment - 5 yr                             | \$467,319                                       | \$465,748              | \$1,571              | \$22,760    | \$12,951                         | 5.00  | 20.00%            | \$2,590                   | \$3,633                                                               | -\$1,042              |
| 1970    | Load Management Controls Customer Premises                 | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1975    | Load Management Controls Utility Premises                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1980    | System Supervisor Equipment                                | \$125,984                                       | \$0                    | \$125,984            | \$0         | \$125,984                        | 20.00 | 5.00%             | \$6,299                   | \$6,305                                                               | -\$6                  |
| 1985    | Miscellaneous Fixed Assets                                 | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1990    | Other Tangible Property                                    | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1995    | Contributions & Grants                                     | -\$756,587                                      | -\$57,188              | -\$699,399           | -\$136,532  | -\$767,665                       | -     |                   | \$0                       | -\$25,760                                                             | \$25,760              |
| etc.    | 0                                                          | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |             | \$0                              |       |                   | \$0                       | \$0                                                                   | \$0                   |
|         |                                                            |                                                 |                        | \$0                  |             | \$0                              |       |                   | \$0                       | \$0                                                                   | \$0                   |
|         | <b>Total</b>                                               | \$166,891,220                                   | \$17,005,874           | \$149,885,346        | \$7,153,385 | \$153,462,038                    |       |                   | \$4,428,489               | \$3,785,987                                                           | \$642,502             |



Determination of Depreciation Expenses

|         |                                                            | Year                                            | 2018                   | MIFRS                |             |                                  |       |                   |                           |                                                                       |                       |
|---------|------------------------------------------------------------|-------------------------------------------------|------------------------|----------------------|-------------|----------------------------------|-------|-------------------|---------------------------|-----------------------------------------------------------------------|-----------------------|
| Account | Description                                                | Opening Regulatory Gross PP&E as at Jan 1, 2018 | Less Fully Depreciated | Net for Depreciation | Additions   | Total for Depreciation           | Years | Depreciation Rate | 2018 Depreciation Expense | 2018 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (I) | Variance <sup>2</sup> |
|         |                                                            | (a)                                             | (b)                    | (c)                  | (d)         | (e) = (c) + ½ x (d) <sup>1</sup> | (f)   | (g) = 1 / (f)     | (h) = (e) / (f)           |                                                                       | (m) = (h) - (I)       |
| 1611    | Computer Software (Formally known as Account 1925)         | \$926,690                                       | \$844,556              | \$82,134             | \$19,793    | \$92,031                         | 5.00  | 20.00%            | \$18,406                  | \$6,363                                                               | \$12,043              |
| 1611A   | Computer Software (Formally known as Account 1925) - 10 yr | \$1,872,855                                     | \$0                    | \$1,872,855          | \$221,083   | \$1,983,396                      | 10.00 | 10.00%            | \$198,340                 | \$195,857                                                             | \$2,482               |
| 1612    | Land Rights (Formally known as Account 1906 and 1806)      | \$20,914,604                                    | \$0                    | \$20,914,604         | \$166,709   | \$20,997,959                     | 40.00 | 2.50%             | \$524,949                 | \$533,945                                                             | -\$8,996              |
| 1805    | Land                                                       | \$710,903                                       | \$0                    | \$710,903            | \$0         | \$710,903                        | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1808    | Buildings                                                  | \$1,026,519                                     | \$24,335               | \$1,002,184          | \$3,806     | \$1,004,086                      | 50.00 | 2.00%             | \$20,082                  | \$19,320                                                              | \$762                 |
| 1808A   | Buildings - Components                                     | \$547,231                                       | \$21,442               | \$525,789            | \$7,365     | \$529,471                        | 25.00 | 4.00%             | \$21,179                  | \$22,061                                                              | -\$883                |
| 1810    | Leasehold Improvements                                     | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1815    | Transformer Station Equipment >50 kV                       | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1820    | Distribution Station Equipment <50 Kv - Stns               | \$12,873,735                                    | \$1,233,783            | \$11,639,952         | -\$451      | \$11,639,726                     | 50.00 | 2.00%             | \$232,795                 | \$195,240                                                             | \$37,554              |
| 1820A   | Distribution Station Equipment <50 kV - Switches/Breakers  | \$2,278,832                                     | \$13,148               | \$2,265,684          | \$0         | \$2,265,684                      | 40.00 | 2.50%             | \$56,642                  | \$52,505                                                              | \$4,137               |
| 1825    | Storage Battery Equipment                                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1830    | Poles, Towers & Fixtures                                   | \$60,963,303                                    | \$5,125,973            | \$55,837,330         | \$3,256,224 | \$57,465,442                     | 45.00 | 2.22%             | \$1,277,010               | \$1,016,701                                                           | \$260,309             |
| 1835    | Overhead Conductors & Devices                              | \$38,332,722                                    | \$3,033,357            | \$35,299,365         | \$2,516,143 | \$36,557,437                     | 45.00 | 2.22%             | \$812,387                 | \$677,775                                                             | \$134,612             |
| 1840    | Underground Conduit                                        | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1845    | Underground Conductors & Devices                           | \$1,912,219                                     | \$59,851               | \$1,852,368          | \$13,697    | \$1,859,216                      | 40.00 | 2.50%             | \$46,480                  | \$43,056                                                              | \$3,424               |
| 1850    | Line Transformers                                          | \$12,602,867                                    | \$1,029,312            | \$11,573,555         | \$402,401   | \$11,774,755                     | 40.00 | 2.50%             | \$294,369                 | \$227,179                                                             | \$67,190              |
| 1855    | Services (Overhead & Underground)                          | \$3,361,906                                     | \$866,373              | \$2,495,533          | \$0         | \$2,495,533                      | 40.00 | 2.50%             | \$62,388                  | \$41,003                                                              | \$21,385              |
| 1860    | Meters                                                     | \$1,162,222                                     | \$246,360              | \$915,862            | \$0         | \$915,862                        | 30.00 | 3.33%             | \$30,529                  | \$20,122                                                              | \$10,407              |
| 1860A   | Meters (Smart Meters)                                      | \$3,861,278                                     | \$0                    | \$3,861,278          | \$42,688    | \$3,882,622                      | 15.00 | 6.67%             | \$258,841                 | \$258,574                                                             | \$268                 |
| 1860B   | Meters - PT's and CT's                                     | \$249,149                                       | \$9,395                | \$239,754            | \$0         | \$239,754                        | 30.00 | 3.33%             | \$7,992                   | \$7,074                                                               | \$918                 |
| 1865    | Other Installations on Customer's Premises                 | \$194,063                                       | \$0                    | \$194,063            | \$0         | \$194,063                        | 10.00 | 10.00%            | \$19,406                  | \$19,406                                                              | \$0                   |
| 1875    | Street Lighting and Signal Systems                         | \$16,523                                        | \$16,523               | \$0                  | \$0         | \$0                              | 20.00 | 5.00%             | \$0                       | \$0                                                                   | \$0                   |
| 1905    | Land                                                       | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1908    | Buildings & Fixtures                                       | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1910    | Leasehold Improvements                                     | \$75,360                                        | \$43,398               | \$31,962             | \$0         | \$31,962                         | 4.00  | 25.00%            | \$7,991                   | \$7,991                                                               | \$0                   |
| 1915    | Office Furniture & Equipment (10 years)                    | \$386,366                                       | \$237,245              | \$149,121            | \$0         | \$149,121                        | 10.00 | 10.00%            | \$14,912                  | \$14,467                                                              | \$445                 |
| 1915    | Office Furniture & Equipment (5 years)                     | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equipment - Hardware                              | \$895,084                                       | \$348,658              | \$546,426            | \$103,552   | \$598,202                        | 5.00  | 20.00%            | \$119,640                 | \$113,651                                                             | \$5,989               |
| 1920    | Computer Equip.-Hardware(Post Mar. 22/04)                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equip.-Hardware(Post Mar. 19/07)                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1930    | Transportation Equipment - 5 Yr                            | \$1,293,500                                     | \$559,053              | \$734,447            | \$72,580    | \$770,737                        | 5.00  | 20.00%            | \$154,147                 | \$118,933                                                             | \$35,214              |
| 1930A   | Transportation Equipment - 10 Yr                           | \$4,336,798                                     | \$1,346,448            | \$2,990,350          | \$387,088   | \$3,183,894                      | 10.00 | 10.00%            | \$318,389                 | \$267,684                                                             | \$50,705              |
| 1935    | Stores Equipment                                           | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1940    | Tools, Shop & Garage Equipment                             | \$1,849,128                                     | \$1,156,973            | \$692,155            | \$49,353    | \$716,831                        | 10.00 | 10.00%            | \$71,683                  | \$69,424                                                              | \$2,259               |
| 1945    | Measurement & Testing Equipment                            | \$225,116                                       | \$100,192              | \$124,924            | \$16,640    | \$133,244                        | 10.00 | 10.00%            | \$13,324                  | \$12,631                                                              | \$693                 |
| 1950    | Power Operated Equipment                                   | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1955    | Communications Equipment                                   | \$496,330                                       | \$16,909               | \$479,421            | \$0         | \$479,421                        | 10.00 | 10.00%            | \$47,942                  | \$47,696                                                              | \$246                 |
| 1955    | Communication Equipment (Smart Meters)                     | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1960    | Miscellaneous Equipment - 10 yr                            | \$73,048                                        | \$41,612               | \$31,436             | \$5,981     | \$34,427                         | 10.00 | 10.00%            | \$3,443                   | \$3,165                                                               | \$277                 |
| 1960A   | Miscellaneous Equipment - 5 yr                             | \$490,078                                       | \$465,748              | \$24,330             | \$2,040     | \$25,350                         | 5.00  | 20.00%            | \$5,070                   | \$4,900                                                               | \$170                 |
| 1970    | Load Management Controls Customer Premises                 | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1975    | Load Management Controls Utility Premises                  | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1980    | System Supervisor Equipment                                | \$125,984                                       | \$0                    | \$125,984            | \$20,567    | \$136,268                        | 20.00 | 5.00%             | \$6,813                   | \$6,731                                                               | \$83                  |
| 1985    | Miscellaneous Fixed Assets                                 | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1990    | Other Tangible Property                                    | \$0                                             | \$0                    | \$0                  | \$0         | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1995    | Contributions & Grants                                     | -\$893,119                                      | -\$57,188              | -\$835,931           | -\$69,264   | -\$870,563                       | -     |                   | \$0                       | -\$16,679                                                             | \$16,679              |
| etc.    |                                                            |                                                 |                        | \$0                  |             | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |             | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |             | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
|         |                                                            |                                                 |                        | \$0                  |             | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
|         | <b>Total</b>                                               | \$173,161,294                                   | \$16,783,456           | \$156,377,838        | \$7,237,996 | \$159,996,835                    |       |                   | \$4,645,151               | \$3,986,777                                                           | \$658,374             |

Determination of Depreciation Expenses

|         |                                                            | Year                                            | 2019                   | MIFRS                |              |                                  |       |                   |                           |                                                                       |                       |
|---------|------------------------------------------------------------|-------------------------------------------------|------------------------|----------------------|--------------|----------------------------------|-------|-------------------|---------------------------|-----------------------------------------------------------------------|-----------------------|
| Account | Description                                                | Opening Regulatory Gross PP&E as at Jan 1, 2019 | Less Fully Depreciated | Net for Depreciation | Additions    | Total for Depreciation           | Years | Depreciation Rate | 2019 Depreciation Expense | 2019 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (I) | Variance <sup>2</sup> |
|         |                                                            | (a)                                             | (b)                    | (c)                  | (d)          | (e) = (c) + ½ x (d) <sup>1</sup> | (f)   | (g) = 1 / (f)     | (h) = (e) / (f)           |                                                                       | (m) = (h) - (I)       |
| 1611    | Computer Software (Formally known as Account 1925)         | \$946,483                                       | \$917,175              | \$29,308             | \$0          | \$29,308                         | 5.00  | 20.00%            | \$5,862                   | \$4,434                                                               | \$1,428               |
| 1611A   | Computer Software (Formally known as Account 1925) - 10 yr | \$2,093,938                                     | \$0                    | \$2,093,938          | \$98,950     | \$2,143,413                      | 10.00 | 10.00%            | \$214,341                 | \$214,714                                                             | -\$373                |
| 1612    | Land Rights (Formally known as Account 1906 and 1806)      | \$21,081,313                                    | \$0                    | \$21,081,313         | \$144,365    | \$21,153,496                     | 40.00 | 2.50%             | \$528,837                 | \$538,942                                                             | -\$10,105             |
| 1805    | Land                                                       | \$710,903                                       | \$0                    | \$710,903            | \$0          | \$710,903                        | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1808    | Buildings                                                  | \$1,030,324                                     | \$24,335               | \$1,005,989          | \$1,064,344  | \$1,538,161                      | 50.00 | 2.00%             | \$30,763                  | \$29,983                                                              | \$780                 |
| 1808A   | Buildings - Components                                     | \$554,596                                       | \$21,442               | \$533,154            | \$455,862    | \$761,084                        | 25.00 | 4.00%             | \$30,443                  | \$28,171                                                              | \$2,272               |
| 1810    | Leasehold Improvements                                     | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1815    | Transformer Station Equipment >50 kV                       | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1820    | Distribution Station Equipment <50 Kv - Stns               | \$12,873,284                                    | \$1,233,783            | \$11,639,501         | \$220,665    | \$11,749,833                     | 50.00 | 2.00%             | \$234,997                 | \$197,443                                                             | \$37,554              |
| 1820A   | Distribution Station Equipment <50 kV - Switches/Breakers  | \$2,278,832                                     | \$13,148               | \$2,265,684          | \$329,997    | \$2,430,683                      | 40.00 | 2.50%             | \$60,767                  | \$56,630                                                              | \$4,137               |
| 1825    | Storage Battery Equipment                                  | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1830    | Poles, Towers & Fixtures                                   | \$64,145,044                                    | \$5,053,092            | \$59,091,952         | \$4,036,722  | \$61,110,313                     | 45.00 | 2.22%             | \$1,358,007               | \$1,120,079                                                           | \$237,928             |
| 1835    | Overhead Conductors & Devices                              | \$40,810,903                                    | \$2,995,395            | \$37,815,508         | \$3,612,132  | \$39,621,575                     | 45.00 | 2.22%             | \$880,479                 | \$783,220                                                             | \$97,259              |
| 1840    | Underground Conduit                                        | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1845    | Underground Conductors & Devices                           | \$1,925,916                                     | \$59,851               | \$1,866,065          | \$11,748     | \$1,871,939                      | 40.00 | 2.50%             | \$46,798                  | \$43,446                                                              | \$3,352               |
| 1850    | Line Transformers                                          | \$12,934,451                                    | \$1,023,020            | \$11,911,431         | \$413,278    | \$12,118,070                     | 40.00 | 2.50%             | \$302,952                 | \$219,921                                                             | \$83,031              |
| 1855    | Services (Overhead & Underground)                          | \$3,361,906                                     | \$866,373              | \$2,495,533          | \$0          | \$2,495,533                      | 40.00 | 2.50%             | \$62,388                  | \$41,000                                                              | \$21,388              |
| 1860    | Meters                                                     | \$1,162,222                                     | \$246,360              | \$915,862            | \$1,443      | \$916,584                        | 30.00 | 3.33%             | \$30,553                  | \$20,147                                                              | \$10,406              |
| 1860A   | Meters (Smart Meters)                                      | \$3,903,966                                     | \$0                    | \$3,903,966          | \$45,708     | \$3,926,820                      | 15.00 | 6.67%             | \$261,788                 | \$263,305                                                             | -\$1,517              |
| 1860B   | Meters - PT's and CT's                                     | \$249,149                                       | \$9,395                | \$239,754            | \$962        | \$240,235                        | 30.00 | 3.33%             | \$8,008                   | \$7,090                                                               | \$918                 |
| 1865    | Other Installations on Customer's Premises                 | \$194,063                                       | \$0                    | \$194,063            | \$0          | \$194,063                        | 10.00 | 10.00%            | \$19,406                  | \$4,653                                                               | \$14,753              |
| 1875    | Street Lighting and Signal Systems                         | \$16,523                                        | \$16,523               | \$0                  | \$0          | \$0                              | 20.00 | 5.00%             | \$0                       | \$0                                                                   | \$0                   |
| 1905    | Land                                                       | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1908    | Buildings & Fixtures                                       | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1910    | Leasehold Improvements                                     | \$75,360                                        | \$43,398               | \$31,962             | \$5,671      | \$34,798                         | 4.00  | 25.00%            | \$8,699                   | \$709                                                                 | \$7,990               |
| 1915    | Office Furniture & Equipment (10 years)                    | \$340,031                                       | \$211,739              | \$128,292            | \$11,482     | \$134,033                        | 10.00 | 10.00%            | \$13,403                  | \$11,783                                                              | \$1,620               |
| 1915    | Office Furniture & Equipment (5 years)                     | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equipment - Hardware                              | \$853,644                                       | \$439,605              | \$414,039            | \$149,002    | \$488,539                        | 5.00  | 20.00%            | \$97,708                  | \$83,337                                                              | \$14,371              |
| 1920    | Computer Equip.-Hardware(Post Mar. 22/04)                  | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1920    | Computer Equip.-Hardware(Post Mar. 19/07)                  | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | 5.00  | 20.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1930    | Transportation Equipment - 5 Yr                            | \$1,366,080                                     | \$778,329              | \$587,751            | \$198,852    | \$687,177                        | 5.00  | 20.00%            | \$137,435                 | \$85,248                                                              | \$52,187              |
| 1930A   | Transportation Equipment - 10 Yr                           | \$4,723,886                                     | \$1,352,343            | \$3,371,543          | \$422,561    | \$3,582,823                      | 10.00 | 10.00%            | \$358,282                 | \$313,098                                                             | \$45,184              |
| 1935    | Stores Equipment                                           | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1940    | Tools, Shop & Garage Equipment                             | \$1,898,481                                     | \$1,211,762            | \$686,719            | \$94,360     | \$733,899                        | 10.00 | 10.00%            | \$73,390                  | \$65,378                                                              | \$8,012               |
| 1945    | Measurement & Testing Equipment                            | \$241,757                                       | \$100,192              | \$141,565            | \$0          | \$141,565                        | 10.00 | 10.00%            | \$14,156                  | \$13,234                                                              | \$922                 |
| 1950    | Power Operated Equipment                                   | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1955    | Communications Equipment                                   | \$496,330                                       | \$20,127               | \$476,203            | \$79,559     | \$515,983                        | 10.00 | 10.00%            | \$51,598                  | \$51,598                                                              | \$0                   |
| 1955    | Communication Equipment (Smart Meters)                     | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | 10.00 | 10.00%            | \$0                       | \$0                                                                   | \$0                   |
| 1960    | Miscellaneous Equipment - 10 yr                            | \$79,030                                        | \$53,053               | \$25,977             | \$0          | \$25,977                         | 10.00 | 10.00%            | \$2,598                   | \$2,598                                                               | \$0                   |
| 1960A   | Miscellaneous Equipment - 5 yr                             | \$492,118                                       | \$465,748              | \$26,370             | \$0          | \$26,370                         | 5.00  | 20.00%            | \$5,274                   | \$5,275                                                               | -\$1                  |
| 1970    | Load Management Controls Customer Premises                 | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1975    | Load Management Controls Utility Premises                  | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1980    | System Supervisor Equipment                                | \$146,551                                       | \$0                    | \$146,551            | \$0          | \$146,551                        | 20.00 | 5.00%             | \$7,328                   | \$7,334                                                               | -\$6                  |
| 1985    | Miscellaneous Fixed Assets                                 | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1990    | Other Tangible Property                                    | \$0                                             | \$0                    | \$0                  | \$0          | \$0                              | -     |                   | \$0                       | \$0                                                                   | \$0                   |
| 1995    | Contributions & Grants                                     | -\$962,383                                      | -\$57,188              | -\$905,195           | -\$140,000   | -\$975,195                       | -     |                   | \$0                       | -\$17,566                                                             | \$17,566              |
| etc.    |                                                            |                                                 |                        | \$0                  |              | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |              | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
| etc.    |                                                            |                                                 |                        | \$0                  |              | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
|         |                                                            |                                                 |                        | \$0                  |              | \$0                              |       |                   | \$0                       |                                                                       | \$0                   |
|         | <b>Total</b>                                               | \$180,024,700                                   | \$17,099,000           | \$162,925,700        | \$11,257,664 | \$168,554,532                    |       |                   | \$4,846,263               | \$4,195,204                                                           | \$651,059             |

| Determination of Depreciation Expenses |                                                            |                                                       |                           |                      |             |                                  |       |                   |                              |                                                                             |                       |
|----------------------------------------|------------------------------------------------------------|-------------------------------------------------------|---------------------------|----------------------|-------------|----------------------------------|-------|-------------------|------------------------------|-----------------------------------------------------------------------------|-----------------------|
| Year                                   |                                                            | 2020                                                  | MIFRS                     |                      |             |                                  |       |                   |                              |                                                                             |                       |
| Account                                | Description                                                | Opening Regulatory<br>Gross PP&E as at Jan<br>1, 2020 | Less Fully<br>Depreciated | Net for Depreciation | Additions   | Total for Depreciation           | Years | Depreciation Rate | 2020 Depreciation<br>Expense | 2020 Depreciation<br>Expense per Appendix 2-<br>B Fixed Assets, Column<br>K | Variance <sup>2</sup> |
|                                        |                                                            | (a)                                                   | (b)                       | (c)                  | (d)         | (e) = (c) + ½ x (d) <sup>1</sup> | (f)   | (g) = 1 / (f)     | (h) = (e) / (f)              | (I)                                                                         | (m) = (h) - (I)       |
| 1611                                   | Computer Software (Formally known as Account 1925)         | \$946,483                                             | \$917,175                 | \$29,308             | \$0         | \$29,308                         | 5.00  | 20.00%            | \$5,862                      | \$3,959                                                                     | \$1,903               |
| 1611A                                  | Computer Software (Formally known as Account 1925) - 10 yr | \$2,192,888                                           | \$12,073                  | \$2,180,815          | \$67,912    | \$2,214,771                      | 10.00 | 10.00%            | \$221,477                    | \$215,532                                                                   | \$5,945               |
| 1612                                   | Land Rights (Formally known as Account 1906 and 1806)      | \$21,225,679                                          | \$0                       | \$21,225,679         | \$139,173   | \$21,295,265                     | 40.00 | 2.50%             | \$532,382                    | \$542,486                                                                   | -\$10,104             |
| 1805                                   | Land                                                       | \$710,903                                             | \$0                       | \$710,903            | \$0         | \$710,903                        | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1808                                   | Buildings                                                  | \$2,094,668                                           | \$24,335                  | \$2,070,333          | \$58,061    | \$2,099,363                      | 50.00 | 2.00%             | \$41,987                     | \$41,208                                                                    | \$779                 |
| 1808A                                  | Buildings - Components                                     | \$1,010,457                                           | \$85,170                  | \$925,287            | \$24,883    | \$937,729                        | 25.00 | 4.00%             | \$37,509                     | \$37,789                                                                    | -\$280                |
| 1810                                   | Leasehold Improvements                                     | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1815                                   | Transformer Station Equipment >50 kV                       | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1820                                   | Distribution Station Equipment <50 Kv - Stns               | \$13,093,948                                          | \$1,233,783               | \$11,860,165         | \$568,894   | \$12,144,613                     | 50.00 | 2.00%             | \$242,892                    | \$205,347                                                                   | \$37,545              |
| 1820A                                  | Distribution Station Equipment <50 kV - Switches/Breakers  | \$2,627,329                                           | \$13,148                  | \$2,614,181          | \$853,342   | \$3,040,852                      | 40.00 | 2.50%             | \$76,021                     | \$71,882                                                                    | \$4,139               |
| 1825                                   | Storage Battery Equipment                                  | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1830                                   | Poles, Towers & Fixtures                                   | \$68,541,426                                          | \$5,053,092               | \$63,488,334         | \$2,537,464 | \$64,757,065                     | 45.00 | 2.22%             | \$1,439,046                  | \$1,201,126                                                                 | \$237,920             |
| 1835                                   | Overhead Conductors & Devices                              | \$44,588,623                                          | \$2,995,395               | \$41,593,228         | \$2,764,319 | \$42,975,387                     | 45.00 | 2.22%             | \$955,009                    | \$857,751                                                                   | \$97,258              |
| 1840                                   | Underground Conduit                                        | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1845                                   | Underground Conductors & Devices                           | \$1,937,663                                           | \$59,851                  | \$1,877,812          | \$11,036    | \$1,883,331                      | 40.00 | 2.50%             | \$47,083                     | \$43,731                                                                    | \$3,352               |
| 1850                                   | Line Transformers                                          | \$13,613,088                                          | \$1,023,020               | \$12,590,068         | \$417,510   | \$12,798,824                     | 40.00 | 2.50%             | \$319,971                    | \$236,938                                                                   | \$83,033              |
| 1855                                   | Services (Overhead & Underground)                          | \$3,361,906                                           | \$866,373                 | \$2,495,533          | \$0         | \$2,495,533                      | 40.00 | 2.50%             | \$62,388                     | \$41,018                                                                    | \$21,370              |
| 1860                                   | Meters                                                     | \$1,163,665                                           | \$246,360                 | \$917,305            | \$2,022     | \$918,316                        | 30.00 | 3.33%             | \$30,611                     | \$20,203                                                                    | \$10,408              |
| 1860A                                  | Meters (Smart Meters)                                      | \$4,067,814                                           | \$0                       | \$4,067,814          | \$64,029    | \$4,099,828                      | 15.00 | 6.67%             | \$273,322                    | \$274,838                                                                   | -\$1,516              |
| 1860B                                  | Meters - PT's and CT's                                     | \$250,111                                             | \$9,395                   | \$240,716            | \$1,348     | \$241,390                        | 30.00 | 3.33%             | \$8,046                      | \$7,129                                                                     | \$917                 |
| 1865                                   | Other Installations on Customer's Premises                 | \$194,063                                             | \$123,690                 | \$70,373             | \$0         | \$70,373                         | 10.00 | 10.00%            | \$7,037                      | \$1,135                                                                     | \$5,902               |
| 1875                                   | Street Lighting and Signal Systems                         | \$16,523                                              | \$16,523                  | \$0                  | \$0         | \$0                              | 20.00 | 5.00%             | \$0                          | \$0                                                                         | \$0                   |
| 1905                                   | Land                                                       | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1908                                   | Buildings & Fixtures                                       | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1910                                   | Leasehold Improvements                                     | \$81,032                                              | \$75,360                  | \$5,672              | \$4,739     | \$8,041                          | 4.00  | 25.00%            | \$2,010                      | \$2,010                                                                     | \$0                   |
| 1915                                   | Office Furniture & Equipment (10 years)                    | \$351,512                                             | \$226,617                 | \$124,895            | \$8,651     | \$129,221                        | 10.00 | 10.00%            | \$12,922                     | \$12,021                                                                    | \$901                 |
| 1915                                   | Office Furniture & Equipment (5 years)                     | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | 10.00 | 10.00%            | \$0                          | \$0                                                                         | \$0                   |
| 1920                                   | Computer Equipment - Hardware                              | \$1,002,645                                           | \$487,107                 | \$515,538            | \$227,400   | \$629,238                        | 5.00  | 20.00%            | \$125,848                    | \$89,535                                                                    | \$36,313              |
| 1920                                   | Computer Equip.-Hardware(Post Mar. 22/04)                  | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | 5.00  | 20.00%            | \$0                          | \$0                                                                         | \$0                   |
| 1920                                   | Computer Equip.-Hardware(Post Mar. 19/07)                  | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | 5.00  | 20.00%            | \$0                          | \$0                                                                         | \$0                   |
| 1930                                   | Transportation Equipment - 5 Yr                            | \$1,564,932                                           | \$1,034,154               | \$530,778            | \$211,715   | \$636,636                        | 5.00  | 20.00%            | \$127,327                    | \$114,789                                                                   | \$12,538              |
| 1930A                                  | Transportation Equipment - 10 Yr                           | \$5,146,447                                           | \$1,632,062               | \$3,514,385          | \$449,894   | \$3,739,332                      | 10.00 | 10.00%            | \$373,933                    | \$339,513                                                                   | \$34,420              |
| 1935                                   | Stores Equipment                                           | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1940                                   | Tools, Shop & Garage Equipment                             | \$1,992,841                                           | \$1,288,497               | \$704,344            | \$96,248    | \$752,468                        | 10.00 | 10.00%            | \$75,247                     | \$69,323                                                                    | \$5,924               |
| 1945                                   | Measurement & Testing Equipment                            | \$241,757                                             | \$109,423                 | \$132,334            | \$0         | \$132,334                        | 10.00 | 10.00%            | \$13,233                     | \$13,234                                                                    | -\$1                  |
| 1950                                   | Power Operated Equipment                                   | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1955                                   | Communications Equipment                                   | \$575,889                                             | \$20,127                  | \$555,762            | \$78,948    | \$595,236                        | 10.00 | 10.00%            | \$59,524                     | \$59,498                                                                    | \$26                  |
| 1955                                   | Communication Equipment (Smart Meters)                     | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | 10.00 | 10.00%            | \$0                          | \$0                                                                         | \$0                   |
| 1960                                   | Miscellaneous Equipment - 10 yr                            | \$79,030                                              | \$53,053                  | \$25,977             | \$0         | \$25,977                         | 10.00 | 10.00%            | \$2,598                      | \$2,596                                                                     | \$2                   |
| 1960A                                  | Miscellaneous Equipment - 5 yr                             | \$492,118                                             | \$465,748                 | \$26,370             | \$0         | \$26,370                         | 5.00  | 20.00%            | \$5,274                      | \$4,986                                                                     | \$288                 |
| 1970                                   | Load Management Controls Customer Premises                 | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1975                                   | Load Management Controls Utility Premises                  | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1980                                   | System Supervisor Equipment                                | \$146,551                                             | \$0                       | \$146,551            | \$0         | \$146,551                        | 20.00 | 5.00%             | \$7,328                      | \$7,334                                                                     | -\$6                  |
| 1985                                   | Miscellaneous Fixed Assets                                 | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1990                                   | Other Tangible Property                                    | \$0                                                   | \$0                       | \$0                  | \$0         | \$0                              | -     |                   | \$0                          | \$0                                                                         | \$0                   |
| 1995                                   | Contributions & Grants                                     | -\$1,102,383                                          | -\$57,188                 | -\$1,045,195         | -\$101,850  | -\$1,096,120                     | -     |                   | \$0                          | -\$19,268                                                                   | \$19,268              |
| etc.                                   |                                                            |                                                       |                           | \$0                  |             | \$0                              |       |                   | \$0                          |                                                                             | \$0                   |
| etc.                                   |                                                            |                                                       |                           | \$0                  |             | \$0                              |       |                   | \$0                          |                                                                             | \$0                   |
| etc.                                   |                                                            |                                                       |                           | \$0                  |             | \$0                              |       |                   | \$0                          |                                                                             | \$0                   |
|                                        |                                                            |                                                       |                           | \$0                  |             | \$0                              |       |                   | \$0                          |                                                                             | \$0                   |
|                                        | <b>Total</b>                                               | \$192,209,610                                         | \$18,014,343              | \$174,195,267        | \$8,485,738 | \$178,438,136                    |       |                   | \$5,105,887                  | \$4,497,643                                                                 | \$608,244             |

#### 4.8.2 USEFUL LIVES OUTSIDE OF KINETRICS RANGE

As noted in Section 4.8.1, the Board's Kinectrics Report was used as a guideline in updating API's depreciation/amortization rates, effective January 1, 2013. These rates have not changed since API's 2015 Cost of Service application. This section provides explanations for components that are outside the ranges contained in the Kinectrics Report. A table comparing API's depreciation rates to the Kinectrics Report is provided at Section 2.2.2 of Exhibit 2.

A 45-year useful life is used for all types of assets in OEB Account 1835. For overhead primary conductor, this is 5 years less than the Kinectrics minimum of 50 years, matching the useful life of 45 years for poles in recognition that there are often inherent efficiencies in replacing conductor at the same time as the associated poles. For overhead shunt capacitor banks, this is 5 years more than the Kinectrics maximum of 40 years; API does not have a sufficient amount of capacitor banks to warrant separating this out as its own component. Other assets in Account 1835, such as switches and reclosers, are all within the Kinectrics range

A 40-year useful life is used for all types of substation equipment, other than power transformers, which have a 50-year useful life; for Station DC Systems, this exceeds the Kinectrics maximum of 30 years, however API does not have a sufficient amount of DC systems to warrant separating this out as its own component.

A 40-year useful life is used for underground primary cable, exceeding the Kinectrics maximum of 30 years. Due to standardization of equipment, these cables are often lightly loaded and in many cases have voltage ratings in excess of operating voltage. Critical installations, such as the supply to thousands of customers on St. Joseph Island, also have spare cables, minimizing the risk of premature replacement.

A 30-year useful life is used for all industrial, large commercial, and wholesale meters, as well as all associated components. For Current and Potential Transformers, this is 5 years less than the Kinectrics minimum.

## 4.9 TAXES & PAYMENTS IN LIEU OF TAXES (PILS)

### 4.9.1 OVERVIEW OF PILS

API is required to make payments in lieu of income taxes ("taxes") based on its taxable income. API files Federal/Provincial tax returns annually. See Appendix 4E of this Exhibit for the completed PILs model as well as Table 18 below for a summary of the tax provision for 2020 Test. The income tax rates and capital cost allowance rates used to calculate the taxes on API's income tax returns are the same rates that have been proposed for the Test period.

**Table 18 - Tax Provision for 2020 Test Year**

| <i>Particulars</i>                                                    | <i>Application</i> |
|-----------------------------------------------------------------------|--------------------|
| <i>Determination of Taxable Income</i>                                |                    |
| <i>Utility net income before taxes</i>                                | \$4,305,854        |
| <i>Adjustments required to arrive at taxable utility income</i>       | -\$3,379,548       |
| <i>Taxable income</i>                                                 | \$926,305          |
| <i>Calculation of Utility income Taxes</i>                            |                    |
| <i>Income taxes</i>                                                   | \$245,471          |
| <i>Capital taxes</i>                                                  | \$0                |
| <i>Total taxes</i>                                                    |                    |
| <i>Gross-up of Income Taxes</i>                                       | \$88,503           |
| <i>Grossed-up Income Taxes</i>                                        | \$333,974          |
| <i>PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)</i> | \$333,974          |
| <i>Other tax Credits</i>                                              | 0                  |
| <i>Tax Rates</i>                                                      |                    |
| <i>Federal tax (%)</i>                                                | 15.00%             |
| <i>Provincial tax (%)</i>                                             | 11.50%             |
| <i>Total tax rate (%)</i>                                             | 26.50%             |

There were no adjustments (e.g., Tax credits, CCA adjustments) for the Historical, Bridge and Test Years and as such, no supporting schedules and calculations and explanations for "other additions" and "other deductions" were required.

API is not claiming tax credits such as Apprenticeship Training Tax Credits or education tax credits.

API's most tax return filed (2017) is presented as Appendix 4F of this Exhibit.



#### 4.9.2 ACCELERATED CCA

In November 2018, the Minister of Finance delivered his 2018 Fall Economic Statement and the announcement included a provision for accelerated CCA deductions. The changes were effective for all expenditures incurred after November 20, 2018.

A summary of the impact to API is below:

- ½ year rule suspended for CCA, with accelerated CCA on capital asset classes at 1.5x previous rate for first year of CCA deduction for expenditures incurred and available for use between November 20, 2018 and December 31, 2023
- ½ year rule suspended for CCA for expenditures incurred and available for use between January 1, 2024 and December 31, 2027

Within the PILs model provided as Appendix 4E, API has added additional rows in tabs 'B8 Schedule 8 CCA Bridge Year' and 'T8 Schedule 8 CCA Bridge Year' to appropriately calculate the enhanced CCA amounts for expenditures incurred after November 20, 2018, which has effectively reduced the grossed-up PILs amounts being requested for 2020 Test.

#### 4.10 OTHER TAXES

The only other taxes than the PILs presented in this Exhibit incurred by API are property taxes, which have not significantly fluctuated between 2015 Board Approved and 2020 Test.

**Table 19 – Property Taxes (OEB 6105)**

|                       | MIFRS                          | MIFRS       | MIFRS       | MIFRS       | MIFRS       | MIFRS       | MIFRS       |
|-----------------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Particular</b>     | <b>Last Board<br/>Approved</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
| <i>Property Taxes</i> | \$107,800                      | \$115,453   | \$112,102   | \$113,924   | \$115,938   | \$119,000   | \$118,600   |

1 **4.11 NON- RECOVERABLE AND DISALLOWED EXPENSES**

2 API confirms that expenses that are deemed non-recoverable in the revenue requirement (e.g.  
3 individual charitable donations) have been appropriately excluded from the regulatory tax  
4 calculation.

## 4.12 CONSERVATION AND DEMAND MANAGEMENT

### 4.12.1 CONSERVATION AND DEMAND MANAGEMENT OVERVIEW

Conservation and Demand Management (“CDM”) programs for electricity distributors were first approved by the OEB in 2004 and have expanded since becoming a more important part of the energy policy in Ontario. The Board developed and issued the CDM Code for Electricity Distributors (the “CDM Code”) on September 16, 2010, to support the CDM framework. The CDM Code sets out the obligations along with requirements, with which electricity distributors must comply in relation to the CDM targets set out in their licenses for January 1, 2011, to December 31, 2014, CDM target period. The CDM Code was created in response to a Directive dated March 31, 2010, by the Minister of Energy and Infrastructure pursuant to sections 27.1 and 27.2 of the Ontario Energy Board Act, 1998. Section 12 of the Directive states that lost revenues that result from CDM programs should not act as a disincentive to a distributor. The Board issued detailed guidelines on the lost revenue adjustment mechanism (“LRAM”) related to CDM programs implemented under the CDM code. API calculated the LRAM Variance Account balance (“LRAMVA”) in compliance with the requirements set out in the following guidelines issued by the Board.

The Guideline for Electricity Distributor Conservation and Demand Management (EB-2012-0003, the “2012 CDM Guidelines”), dated April 26, 2012, describes the mechanism to capture the difference between the results of actual verified impacts of authorized CDM activities undertaken by the distributor between 2011 and 2014 and the level of activities embedded into rates through the distributor’s load forecast. This guideline also describes the establishment of the LRAM Variance Account and the method to record the related lost revenues.

The *Conservation and Demand Management Requirement Guidelines for Electricity Distributors* (EB-2014-0278, the “2015 CDM Guidelines”), issued by the OEB on December 19, 2014, are applicable to CDM programs beginning January 1, 2015. These guidelines require distributors to continue to rely on the LRAMVA to track and dispose of lost revenues that result from approved CDM programs between 2015 and 2020.

1 The Report of the OEB: *Updated Policy for the Lost Revenue Adjustment Mechanism Calculation:*  
2 *Lost Revenues and Peak Demand Savings from Conservation and Demand Management*  
3 *Programs* (EB-2016-0182 – the “LRAMVA Report”), issued on May 19, 2016, outlines the  
4 OEB’s policy with respect to the treatment of peak demand savings for the LRAM Variance  
5 Account calculation for demand billed customers.

6 API began delivering CDM programs in 2011 to meet the mandated targets. The emphasis has  
7 been on Independent Electricity System Operator (IESO) Contracted Province-Wide Programs to  
8 residential and general service customers. API has not sought approval for Board-approved  
9 CDM programs.

10 API submitted a joint CDM plan with Canadian Niagara Power Inc., which allows aggregation of  
11 the assigned energy savings targets and funding for the two LDCs. The most recently approved  
12 joint API-CNPI CDM plan forecasts that API will achieve savings of 13,032,997 kWh, or 173.54%  
13 of its target.

#### 4.12.2 LRAM VARIANCE ACCOUNT (LRAMVA)

On April 26, 2012, the Board issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 and the level of activities embedded into rates through the distributor's load forecast in an LRAM variance account. On May 19, 2016, the OEB issued its LRAMVA Report. API has referred to this report and used the OEB's LRAMVA model in calculating LRAMVA recovery for this Application

Table 20 below shows the total LRAMVA recovery sought by API:

**Table 20 - Summary of Requested LRAM Amounts**

| <i><b>Description</b></i>          | <b>R1 (kWh)</b>     | <b>Seasonal (kWh)</b> | <b>R2 (kW)</b>    | <b>Street Lights (kW)</b> | <b>Total</b>        |
|------------------------------------|---------------------|-----------------------|-------------------|---------------------------|---------------------|
| <i>Amount Cleared</i>              |                     |                       |                   |                           |                     |
| <i>2015 Actuals</i>                | \$74,041.87         | \$10,092.14           | \$2,839.69        | \$12,813.04               | \$99,786.74         |
| <i>2015 Forecast</i>               | -\$13,169.36        | -\$4,295.82           | -\$2,356.05       | -\$540.25                 | -\$20,361.48        |
| <i>Amount Cleared</i>              |                     |                       |                   |                           |                     |
| <i>2016 Actuals</i>                | \$113,481.56        | \$19,497.69           | \$2,921.02        | \$41,176.58               | \$177,076.85        |
| <i>2016 Forecast</i>               | -\$13,169.36        | -\$4,410.25           | -\$2,353.03       | -\$545.44                 | -\$20,478.09        |
| <i>Amount Cleared</i>              |                     |                       |                   |                           |                     |
| <i>2017 Actuals</i>                | \$169,106.74        | \$34,726.42           | \$3,422.12        | \$50,332.71               | \$257,587.99        |
| <i>2017 Forecast</i>               | -\$12,486.81        | -\$4,210.72           | -\$2,392.67       | -\$660.89                 | -\$19,751.08        |
| <i>Amount Cleared</i>              |                     |                       |                   |                           |                     |
| <i>Carrying Charges</i>            | \$23,519.45         | \$3,933.55            | \$262.53          | \$8,813.23                | \$36,528.76         |
| <b><i>Total LRAMVA Balance</i></b> | <b>\$341,324.08</b> | <b>\$55,333.01</b>    | <b>\$2,343.61</b> | <b>\$111,388.98</b>       | <b>\$510,389.68</b> |

API has used the most recent input assumptions when calculating lost revenue and has relied on the most recent final evaluation report from the Independent Electricity System Operator (IESO) in support of its LRAM calculation for its contracted province-wide CDM programs ("IESO Programs") for 2011-2017. Lost revenues are based on Board approved variable charges and carrying charges through 2019 are requested. API has calculated any carrying charges for the applicable periods using the quarterly rates prescribed by the Board.

1 API is not currently requesting recovery of lost revenue resulting from Board-approved  
2 programs. The IESO-Contracted Province-Wide CDM Programs Final 2017 Results are provided  
3 as Appendix 4G of this Exhibit. LRAMVA thresholds from API's 2015 Cost of Service application  
4 (EB-2014-0055) were input in Tab 2 of the LRAMVA model, so that energy savings up to these  
5 threshold amounts would offset the total energy savings in the LRAMVA claim period.

6 Since API's traditional residential customers and its general service customers with demand less  
7 than 50 kW are all included in its R1 rate class, 100% of the savings were allocated to this class  
8 for CDM programs targeted exclusively toward home and small-business customers. For  
9 programs that could have had Seasonal customer uptake, such as coupons and appliance  
10 exchanges, the allocation was 93% to R1 and 7% to Seasonal. For programs such as Retrofit,  
11 where application-specific information was available for a relatively small number of projects,  
12 the allocation to rate classes for each year was based on actual application information.

13 During the process of inputting the IESO's verified net savings into the LRAMVA model, API  
14 made two discrete adjustments to address issues related to savings for Street Lighting and peak  
15 demand savings as detailed below.

16 Table 21 below compares API's actual delivery volumes for the 2015-2017 period and then  
17 compares these variances to the IESO verified savings. The results clearly show that the IESO  
18 verified savings significantly exceed API's actual reduction in Street Lighting delivery volumes,  
19 likely due to a combination of project timing during each year and differences in IESO  
20 assumptions for estimating savings as compared to API's billing practices for Street Lights.

**Table 21 – Street Lighting LRAMVA Review**

|                            | 2015           |             |             | 2016    |                       | 2017    |                       |
|----------------------------|----------------|-------------|-------------|---------|-----------------------|---------|-----------------------|
|                            | Board Approved | Actual      | Variance    | Actual  | Variance from 2015 BA | Actual  | Variance from 2015 BA |
| <b>Street Lighting kWh</b> | 804,705        | 742,696     | -62,009     | 584,575 | -220,130              | 582,537 | -222,168              |
| <b>kWh Savings</b>         | <b>2015</b>    | <b>2016</b> | <b>2017</b> |         |                       |         |                       |
| From 2015 Programs         | 397,423        | 397,423     | 397,423     |         |                       |         |                       |
| From 2016 Programs         |                | 0           | 0           |         |                       |         |                       |
| From 2017 Programs         |                |             | 75,999      |         |                       |         |                       |
| Total Savings (IESO)       | 397,423        | 397,423     | 473,422     |         |                       |         |                       |
| Actual Reduction           | 62,009         | 220,130     | 222,168     |         |                       |         |                       |

As a result of the above analysis, API made the following adjustments to the kWh savings for the Street Lighting class in the LRAMVA model:

- Reduced 2015 kWh savings from 2015 programs by 335,414 (397,423 - 62,009)
- Reduced persisting kWh savings from 2015 programs by 177,293 (397,423 - 220,130)
- Reduced 2017 kWh savings from 2017 programs by 73,960 (75,999 - (222,168 - 220,130))

Table 22 below compares the ratio between the IESO's verified kW and kWh savings to the kW/kWh ratio for API's R2 rate class:

**Table 22 – kW Demand LRAMVA Review**

|                                           | 2015       | 2016       | 2017       | Total       |
|-------------------------------------------|------------|------------|------------|-------------|
| <b>Total Net Verified kWh Savings</b>     | 1,077,169  | 2,506,587  | 5,146,349  | 8,730,105   |
| <b>Total Net Verified Peak kW Savings</b> | 124        | 263        | 540        | 927         |
| <b>IESO kW/kWh Ratio</b>                  | 0.000115   | 0.000105   | 0.000105   | 0.000106    |
| <b>API R2 kWh</b>                         | 86,528,984 | 89,578,886 | 94,512,143 | 270,620,012 |
| <b>API R2 kW (12 month sum)</b>           | 208,261    | 217,369    | 210,836    | 636,466     |
| <b>API kW/kWh Ratio</b>                   | 0.000201   | 0.000202   | 0.000186   | 0.000196    |
| <b>API Ratio / IESO Ratio</b>             | 1.74       | 1.93       | 1.77       | 1.85        |



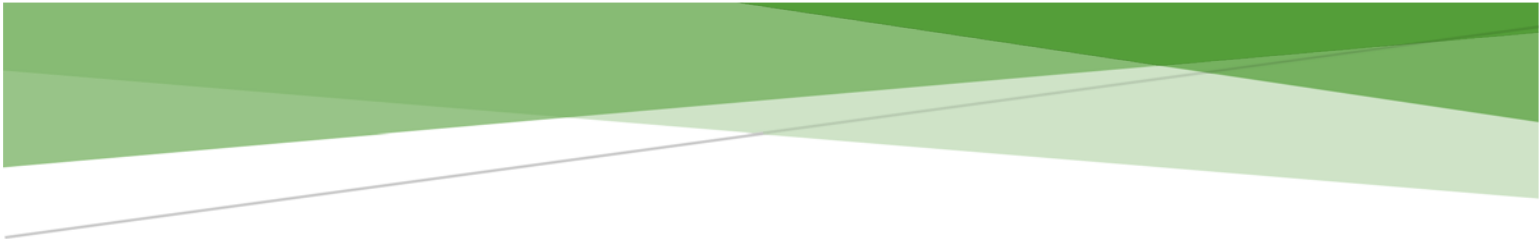
- 1 The analysis above shows that API's kW/kWh ratio is on average 1.85 times higher than the
- 2 IESO's ratio for the 2015 to 2017 period. In order to more accurately reflect the expected peak
- 3 demand reduction, API calculated peak demand savings in the LRAMVA model by multiplying
- 4 the IESO's verified kWh savings by API's 2015-2017 kW/kWh ratio of 0.000196.
- 5 For further details, please refer to the enclosed Excel OEB LRAM Work form attached as
- 6 Appendix 4H and the IESO 2017 Final Report (Appendix 4G).

1 **APPENDICES**

2

|             |                                                               |
|-------------|---------------------------------------------------------------|
| Appendix 4A | Korn Ferry 2020 Salary Projection                             |
| Appendix 4B | Algoma Pension Valuation Report, December 31, 2017            |
| Appendix 4C | Services Agreement                                            |
| Appendix 4D | FortisOntario Purchasing Policy MM100                         |
| Appendix 4E | PILs Work Form                                                |
| Appendix 4F | 2017 Corporate Tax Return                                     |
| Appendix 4G | IESO-Contracted Province-Wide CDM Programs Final 2017 Results |
| Appendix 4H | LRAMVA Work Form                                              |

3



# Appendix 4A

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019



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March 1, 2019

Ms. Kristine Carmichael  
Director of Corporate and Customer Services  
FortisOntario Inc.  
1130 Bertie Street  
P. O. Box 1218  
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L2A 5Y2

**Re: 2020 Salary Projection for Algoma Power Inc.**

Korn Ferry ("KF") has been asked by Algoma Power Inc. ("Algoma Power") to provide an estimate of base salary increases for 2020.

**Methodology**

Annually, KF provides salary increase forecasts based on survey responses from our database participants collated in August / September (the "Compensation Planning Update") each year, and our most recent Compensation Planning Update (September 2018) only provides forecasts on 2019 salary increases.

As 2020 projections from this source will not be available until September 2019, we have conducted various scenario analyses on historical base salary movement as compared to key Canadian economic indicators, including:

- 1) The relationship between historical industrial base salary movements in the KF database and movements in the Canadian Headline Consumer Price Index ("Headline CPI");
- 2) The historical spread between industrial base salary movements in the KF database and the Headline CPI; and
- 3) The relationship between historical industrial base salary movements in the KF database and Canadian Real Gross Domestic Product ("Real GDP") growth.

Based on the resulting arithmetic differentials and regression analyses, we have applied our findings to the latest forecasts for Canadian Headline CPI and Real GDP growth in 2020 published by the Bank of Canada and large Canadian financial institutions. A range of projected base salary increases were calculated in consideration of these analyses as well as the historic salary increase pattern among utilities organizations in the KF database.

**2020 Salary Forecast**

Based on currently available information, we project base salary increases to range between 2.37% and 2.99%, with a median of 2.60%, for 2020.

Our estimates are based on the projected growth of the Canadian economy, using a compilation of the latest available economic data. It should be noted that currently there is a lot of uncertainty in global economy and geopolitics. Although there are recent signs of easing trade tensions, concerns over potential trade wars and general economic slowdown will likely remain a source of volatility in the near term. As Canada is not immune to these international developments, we would recommend taking a more conservative position in respect of salary forecast. Despite the forecasted upward movements of 2020 GDP and CPI for Canada, we would suggest maintaining the 2020 salary forecasts at the same levels as in 2019, i.e., between 2.40% and 2.60%.



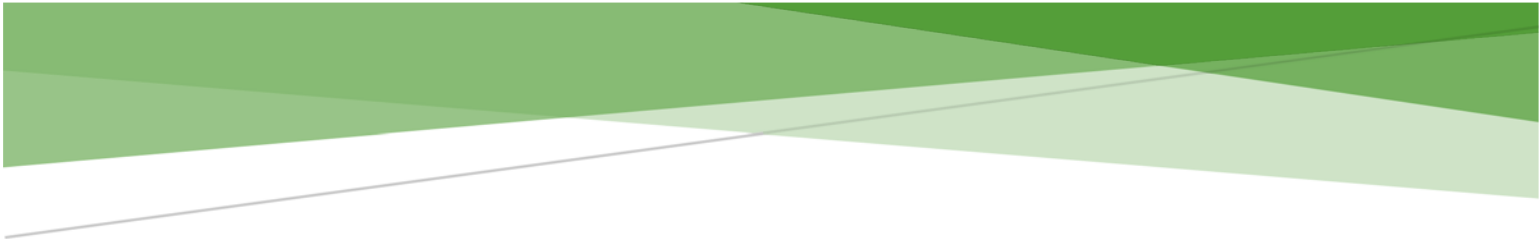
Kristine, we trust this is of assistance to you. Please feel free to contact us to discuss the contents of this letter or the underlying analyses supporting our opinion.

Best Regards,

**KORN FERRY (CA) LTD.**

Claudio Gardonio  
Associate Client Partner  
Executive Pay and Governance

Kennedy Lee  
Principal  
Executive Pay and Governance



# Appendix 4B

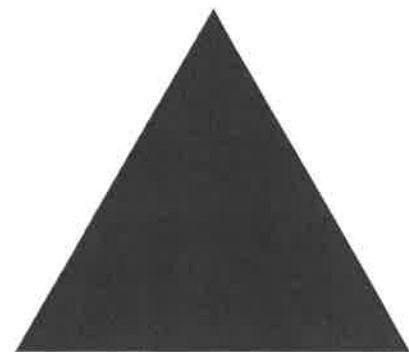
Algoma Power Inc.

2020 Cost of Service

EB-2019-0019

HEALTH WEALTH CAREER

# RETIREMENT FUND OF ALGOMA POWER INC.

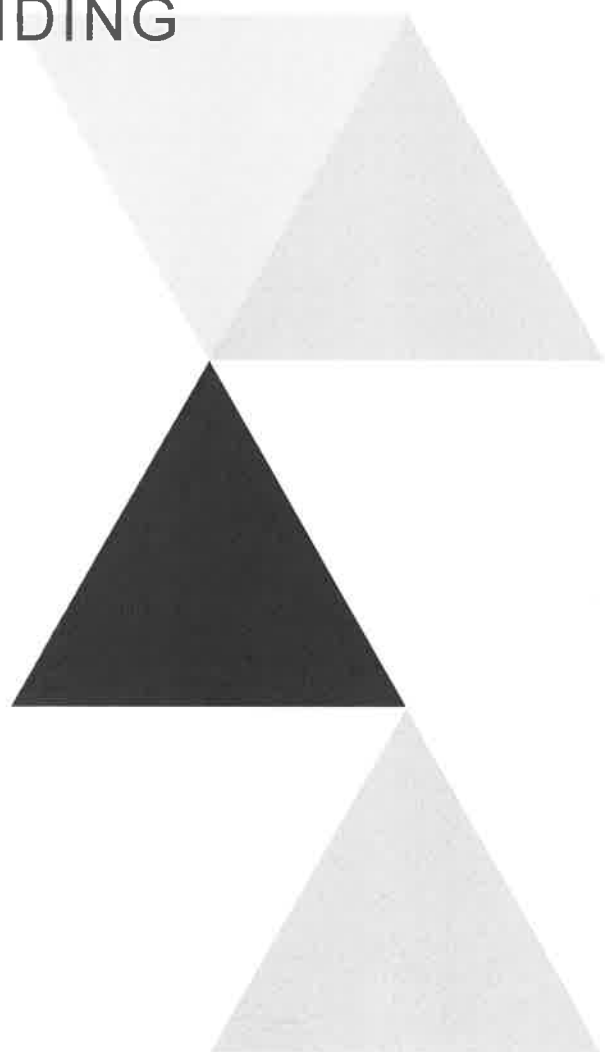


## REPORT ON THE ACTUARIAL VALUATION FOR FUNDING PURPOSES AS AT DECEMBER 31, 2017

SEPTEMBER 2018

Financial Services Commission of Ontario Registration Number: 1212836

Canada Revenue Agency Registration Number: 1212836



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**Note to reader regarding actuarial valuations:**

This valuation report may not be relied upon for any purpose other than those explicitly noted in the Introduction, nor may it be relied upon by any party other than the parties noted in the Introduction. Mercer is not responsible for the consequences of any other use. A valuation report is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future. If maintained indefinitely, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the amount of plan expenses, and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the valuation date. The content of the report may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission. All parts of this report, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used, or relied upon without reference to the report as a whole.

To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities for each valuation basis. The results based on that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from one valuation to the next because of changes in regulatory and professional requirements, developments in case law, plan experience, changes in expectations about the future, and other factors.

The valuation results shown in this report also illustrate the sensitivity to one of the key actuarial assumptions, the discount rate. We note that the results presented herein rely on many assumptions, all of which are subject to uncertainty, with a broad range of possible outcomes, and the results are sensitive to all the assumptions used in the valuation.

Should the plan be wound up, the going concern funded status and solvency financial position, if different from the wind-up financial position, become irrelevant. The hypothetical wind-up financial position estimates the financial position of the plan assuming it is wound up on the valuation date. Emerging experience will affect the wind-up financial position of the plan assuming it is wound up in the future. In fact, even if the plan were wound up on the valuation date, the financial position would continue to fluctuate until the benefits are fully settled.

Decisions about benefit changes, granting new benefits, investment policy, funding policy, benefit security, and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic, and societal factors, including financial scenarios that assume future sustained investment losses.

Funding calculations reflect our understanding of the requirements of *Pension Benefits Act (Ontario)*, the Income Tax Act, and related regulations that are effective as of the valuation date. Mercer is not a law firm, and the analysis presented in this report is not intended to be a legal opinion. You should consider securing the advice of legal counsel with respect to any legal matters related to this report.



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# 1

## SUMMARY OF RESULTS

|                                                                                                                                                                        | 31.12.2017    | 31.12.2014    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Going Concern Financial Status</b>                                                                                                                                  |               |               |
| Market value of assets                                                                                                                                                 | \$29,685,800  | \$24,636,400  |
| Going concern funding liabilities                                                                                                                                      | \$23,089,200  | \$24,114,700  |
| Provision for adverse deviations in respect of the going concern liabilities                                                                                           | \$1,397,100   | N/A           |
| Funding excess (shortfall)                                                                                                                                             | \$5,199,500   | \$521,700     |
| <b>Hypothetical Wind-up Financial Position</b>                                                                                                                         |               |               |
| Wind-up assets                                                                                                                                                         | \$29,590,800  | \$24,551,400  |
| Wind-up liability                                                                                                                                                      | \$32,744,600  | \$28,683,600  |
| Wind-up excess (shortfall)                                                                                                                                             | (\$3,153,800) | (\$4,132,200) |
| Wind-up ratio                                                                                                                                                          | 91%           | 86%           |
| <b>Funding Requirements in the Year Following the Valuation <sup>1</sup></b>                                                                                           |               |               |
| Total current service cost                                                                                                                                             | \$528,900     | \$697,600     |
| Estimated members' required contributions                                                                                                                              | (\$216,200)   | (\$223,600)   |
| Estimated employer's current service cost                                                                                                                              | \$327,600     | \$474,000     |
| Provision for adverse deviations in respect of current service cost                                                                                                    | \$31,800      | N/A           |
| Total                                                                                                                                                                  | \$359,400     | \$474,000     |
| Employer's current service cost and provision for adverse deviations in respect of the current service cost expressed as a percentage of members' pensionable earnings | 11.8%         | 15.3%         |

<sup>1</sup> Provided for reference purposes only. Contributions must be remitted to the Plan in accordance with the Minimum Funding Requirements and Maximum Eligible Contributions sections of this report.

|                                                  | 31.12.2017  | 31.12.2014  |
|--------------------------------------------------|-------------|-------------|
| Minimum special payments                         | \$0         | \$0         |
| Estimated minimum employer contribution          | \$359,400   | \$0         |
| Estimated maximum eligible employer contribution | \$3,513,200 | \$4,606,200 |
| Next required valuation date                     | 31.12.2020  | 31.12.2017  |

# 2

## INTRODUCTION

### TO FORTISONTARIO INC.

At the request of FortisOntario Inc., we have conducted an actuarial valuation of the Retirement Fund of Algoma Power Inc. (the "Plan"), sponsored by FortisOntario Inc. (the "Company"), as at the valuation date, December 31, 2017. We are pleased to present the results of the valuation.

### PURPOSE

The purpose of this valuation is to determine:

- The funded status of the Plan as at December 31, 2017 on going concern, hypothetical wind-up, and solvency bases;
- The minimum required funding contributions from 2018, in accordance with the *Pension Benefits Act (Ontario)* (the "Act"); and
- The maximum permissible funding contributions from 2018, in accordance with the *Income Tax Act*.

The information contained in this report was prepared for the internal use of the Company, and for filing with the Financial Services Commission of Ontario and with the Canada Revenue Agency, in connection with our actuarial valuation of the Plan. This report will be filed with the Financial Services Commission of Ontario and with the Canada Revenue Agency. This report is not intended or suitable for any other purpose.

In accordance with pension benefits legislation, the next actuarial valuation of the Plan will be required as at a date not later than December 31, 2020, or as at the date of an earlier amendment to the Plan.

### TERMS OF ENGAGEMENT

In accordance with our terms of engagement with the FortisOntario Inc., our actuarial valuation of the Plan is based on the following material terms:

- It has been prepared in accordance with applicable pension legislation and actuarial standards of practice in Canada.
- As instructed by the FortisOntario Inc., we have not reflected a margin for adverse deviations in the going concern valuation in excess of the provision for adverse deviation prescribed by the Act.

- We have reflected the FortisOntario Inc. decisions for determining the solvency funding requirements, summarized as follows:
  - The same plan wind-up scenario was hypothesized for both hypothetical wind-up and solvency valuations.
  - Certain excludable benefits were excluded from the solvency liabilities.
  - Solvency smoothing was used.

See the Valuation Results - Solvency section of the report for more information.

## EVENTS SINCE THE LAST VALUATION AT DECEMBER 31, 2014

### Pension Plan

There have been no special events since the last valuation date.

This valuation reflects the provisions of the Plan as at December 31, 2017. The Plan has been amended since the date of the previous valuation. The Plan has been amended to change the rate of required employee contributions into the Plan. The change in the employee contributions rate has no impact on the liabilities or total current service cost, but it has an impact on the employer's current service cost. We are not aware of any pending definitive or virtually definitive amendments coming into effect during the period covered by this report. The Plan provisions are summarized in Appendix F.

### Assumptions

We have used the same going concern valuation assumptions and methods as were used for the previous valuation, except for the following:

|                                     | CURRENT VALUATION | PREVIOUS VALUATION |
|-------------------------------------|-------------------|--------------------|
| Discount rate:                      | 5.40%             | 4.75%              |
| Interest on employee contributions: | 5.40%             | 4.75%              |
| Indexation:                         | 1.50%             | 2.00%              |

A summary of the going concern methods and assumptions is provided in Appendix C.

The hypothetical wind-up and solvency assumptions have been updated to reflect market conditions at the valuation date. A summary of the hypothetical wind-up and solvency methods and assumptions is provided in Appendix D.

## Regulatory Environment and Actuarial Standards

There have been a number of changes to the Act and regulations which impact the funding of the Plan.

On December 14, 2017, Bill 177, Stronger, Fairer Ontario Act, 2017 received Royal Assent. Bill 177 contained amendments to the Act to enable the new funding framework previously announced by the Government of Ontario in May, 2017. The new funding framework changed minimum funding requirements from both a going concern and solvency perspective. The regulations to the Act supporting the new funding rules were published on April 20, 2018 with effect from May 1, 2018. Valuation reports with effect on or after December 31, 2017 that are filed on or after May 1, 2018 reflect the new rules. The amended regulations also allow for a transition from the funding rules that applied immediately before May 1, 2018 to the new funding rules over a three-year phase-in period starting in the first year following the valuation date of this report.

On July 20, 2017, the Canadian Institute of Actuaries released an Exposure Draft with proposed changes to the standards for pension commuted values ("CIA CV Standard"). The impact of any changes to the CIA CV Standard will be considered in a future actuarial valuation, once the amendments are finalized.

At its meeting on June 9, 2015, the Actuarial Standards Board (ASB) decided to promulgate the use of the following mortality table with respect of the computation of pension commuted values ("CIA CV Standard"), effective October 1, 2015: *Mortality rates equal to the 2014 Canadian Pensioners Mortality Table (CPM2014) combined with mortality improvement scale CPM Improvement Scale B (CPM-B)*. The change affects the mortality assumption used to value the solvency and wind-up liabilities for benefits assumed to be settled through a lump sum transfer. The financial impact of the change in the CIA CV Standard has been reflected in this actuarial valuation on a solvency and hypothetical wind-up basis.

## SUBSEQUENT EVENTS

After checking with representatives of the Company, to the best of our knowledge there have been no events subsequent to the valuation date which, in our opinion, would have a material impact on the results of the valuation. Our valuation reflects the financial position of the Plan as of the valuation date and does not take into account any experience after the valuation date.

## IMPACT OF CASE LAW

This report has been prepared on the assumption that all claims on the Plan after the valuation date will be in respect of benefits payable to members of the Plan determined in accordance with the Plan terms and that all Plan assets are available to provide for these benefits. It is possible that court and regulatory decisions and changes in legislation could give rise to additional entitlements to benefits under the Plan and cause the results in this report to change. By way of example, we bring your attention to the following decisions:

- The Ontario Court of Appeal's 2003 decision in *Aegon Canada Inc. and Transamerica Life Canada versus ING Canada Inc.* restricted the use of original plan surplus where two or more pension plans were merged.
- The Supreme Court of Canada's 2004 decision in *Monsanto Canada Inc. versus Superintendent of Financial Services* upheld the requirement, with retroactive effect, to distribute surplus on partial plan wind-up under the *Pension Benefits Act (Ontario)*.

We are not in a position to assess the impact that such decisions or changes could have on the assumption that all plan assets on the valuation date are available to provide for benefits determined in accordance with the Plan terms. If such a claim arises subsequent to the date of this report, the consequences will be dealt with in a subsequent report. We are making no representation as to likelihood of such a claim.

# 3

## VALUATION RESULTS – GOING CONCERN

### FINANCIAL STATUS

A going concern valuation compares the relationship between the value of Plan assets and the present value of expected future benefit cash flows in respect of accrued service, assuming the Plan will be maintained indefinitely.

The results of the current valuation, compared with those from the previous valuation, are summarized as follows:

|                                                                                                   | 31.12.2017   | 31.12.2014   |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Assets</b>                                                                                     |              |              |
| Market value of assets                                                                            | \$29,685,800 | \$24,636,400 |
| <b>Going concern funding target</b>                                                               |              |              |
| Going concern liabilities:                                                                        |              |              |
| • Active members                                                                                  | \$8,024,000  | \$11,701,900 |
| • Pensioners and survivors                                                                        | \$15,011,400 | \$12,356,200 |
| • Deferred pensioners                                                                             | \$53,800     | \$56,600     |
| • Subtotal                                                                                        | \$23,089,200 | \$24,114,700 |
| Provision for adverse deviations in respect of going concern liabilities as prescribed by the Act | \$1,397,100  | N/A          |
| Total                                                                                             | \$24,486,300 | \$24,114,700 |
| Funding excess (shortfall) <sup>2</sup>                                                           | \$5,199,500  | \$521,700    |

The going concern liabilities at December 31, 2017 do not include an additional margin for adverse deviations beyond the provision for adverse deviations prescribed by the Act.

<sup>2</sup> Funding excess (shortfall) may or may not be equal to the going concern excess (unfunded liability) as described in the Act. Details of the going concern excess (unfunded liability) are provided in Appendix A.



## RECONCILIATION OF FINANCIAL STATUS

|                                                                                        |               |
|----------------------------------------------------------------------------------------|---------------|
| Funding excess (shortfall) as at previous valuation                                    | \$521,700     |
| Interest on funding excess (shortfall) at 4.75% per year                               | \$77,900      |
| Employer's special payments, with interest                                             | \$282,000     |
| Expected funding excess (shortfall)                                                    | \$881,600     |
| Net experience gains (losses)                                                          |               |
| • Investment return                                                                    | \$2,089,500   |
| • Increases in pensionable earnings                                                    | (\$36,400)    |
| • Increase in Years' Maximum Pensionable Earnings ("YMPE")                             | (\$73,900)    |
| • Indexation                                                                           | \$207,900     |
| • Mortality                                                                            | \$215,700     |
| • Retirement                                                                           | (\$464,100)   |
| Total experience gains (losses)                                                        | \$1,938,700   |
| Total impact of changes in assumptions                                                 | \$3,696,700   |
| Change in provision for adverse deviations in respect of the going concern liabilities | (\$1,397,100) |
| Net impact of other elements of gains and losses                                       | \$79,600      |
| Funding excess (shortfall) as at current valuation                                     | \$5,199,500   |

## CURRENT SERVICE COST

The current service cost is an estimate of the present value of the additional expected future benefit cash flows in respect of pensionable service that will accrue after the valuation date, assuming the Plan will be maintained indefinitely. A provision for adverse deviations in respect of the current service cost is determined in accordance with the Act.

The current service cost and the provision for adverse deviation in respect of the current service cost, during the year following the valuation date, compared with the corresponding values determined in the previous valuation, is as follows:

|                                                                                                                         | 2018        | 2015        |
|-------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Total current service cost <sup>3</sup>                                                                                 | \$528,900   | \$697,600   |
| Estimated members' required contributions                                                                               | (\$201,300) | (\$223,600) |
| Estimated employer's current service cost                                                                               | \$327,600   | \$474,000   |
| Estimated members' pensionable earnings                                                                                 | \$3,057,200 | \$3,097,000 |
| Employer's current service cost expressed as a percentage of members' pensionable earnings                              | 10.7%       | 15.3%       |
| Provision for adverse deviations in respect of the current service cost (based on the percentage defined in Appendix A) |             |             |
| • As a dollar amount per year                                                                                           | \$31,800    | N/A         |
| • As a percentage of members' pensionable earnings                                                                      | 1.1%        | N/A         |
| Employer's current service cost and provision for adverse deviations in respect of current service cost                 |             |             |
| • As a dollar amount per year                                                                                           | \$359,400   | \$474,000   |
| • As a percentage of members' pensionable earnings                                                                      | 11.8%       | 15.3%       |

The key factors that have caused a change in the employer's current service cost excluding the provision for adverse deviations since the previous valuation are summarized in the following table:

|                                                          |        |
|----------------------------------------------------------|--------|
| Employer's current service cost as at previous valuation | 15.3%  |
| Demographic changes                                      | (0.4%) |
| Plan amendments                                          | 0.5%   |
| Changes in assumptions                                   | (4.7%) |
| Employer's current service cost as at current valuation  | 10.7%  |

<sup>3</sup>Total current service cost includes \$74,100 in estimated future costs for escalated adjustments as defined in the Act.

## DISCOUNT RATE SENSITIVITY

The following table summarizes the effect on the going concern funding target and current service cost shown in this report of using a discount rate which is 1% lower than that used in the valuation. The effect of a change in the discount rate on the provision for adverse deviations is not reflected.

| SCENARIO                                    | VALUATION<br>BASIS | REDUCE<br>DISCOUNT<br>RATE BY 1% |
|---------------------------------------------|--------------------|----------------------------------|
| <b>Going concern funding liabilities</b>    | \$23,089,200       | \$26,752,900                     |
| <b>Current service cost</b>                 |                    |                                  |
| • Total current service cost                | \$528,900          | \$703,400                        |
| • Estimated members' required contributions | (\$201,300)        | (\$201,300)                      |
| Estimated employer's current service cost   | \$327,600          | \$502,100                        |

# 4

## VALUATION RESULTS – HYPOTHETICAL WIND-UP

### FINANCIAL POSITION

When conducting a hypothetical wind-up valuation, we determine the relationship between the respective values of the Plan's assets and its liabilities assuming the Plan is wound up and settled on the valuation date, assuming benefits are settled in accordance with the Act and under circumstances consistent with the hypothesized scenario on the valuation date. More details on such scenario are provided in Appendix D.

The hypothetical wind-up financial position as of the valuation date, compared with that at the previous valuation, is as follows:

|                                               | 31.12.2017    | 31.12.2014    |
|-----------------------------------------------|---------------|---------------|
| <b>Assets</b>                                 |               |               |
| Market value of assets                        | \$29,685,800  | \$24,636,400  |
| Termination expense provision                 | (\$95,000)    | (\$85,000)    |
| Wind-up assets                                | \$29,590,800  | \$24,551,400  |
| <b>Present value of accrued benefits for:</b> |               |               |
| • Active members                              | \$11,583,300  | \$13,775,200  |
| • Pensioners and survivors                    | \$21,053,200  | \$14,816,700  |
| • Deferred pensioners                         | \$108,100     | \$91,700      |
| Total wind-up liability                       | \$32,744,600  | \$28,683,600  |
| Wind-up excess (shortfall)                    | (\$3,153,800) | (\$4,132,200) |
| Transfer Ratio                                | 91%           | 86%           |

## WIND-UP INCREMENTAL COST

The wind-up incremental cost is an estimate of the present value of the projected change in the hypothetical wind-up liabilities from the valuation date until the next scheduled valuation date, adjusted for the benefit payments expected to be made in that period.

The hypothetical wind-up incremental cost determined in this valuation, compared with the corresponding value determined in the previous valuation, is as follows:

|                                                                                                                                                                                     | 31.12.2017   | 31.12.2014   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Number of years covered by report                                                                                                                                                   | 3 years      | 3 years      |
| Total hypothetical wind-up liabilities at the valuation date (A)                                                                                                                    | \$32,744,600 | \$28,683,600 |
| Present value at the valuation date of projected hypothetical wind-up liability at the next required valuation plus expected benefit payments until the next required valuation (B) | \$35,733,000 | \$31,893,400 |
| Hypothetical wind-up incremental cost (B – A)                                                                                                                                       | \$2,988,400  | \$3,209,800  |

The incremental cost is not an appropriate measure of the contributions that would be required to maintain the financial position of the Plan on a hypothetical wind-up basis unchanged from the valuation date to the next required valuation date, if actual experience is exactly in accordance with the going concern valuation assumptions. This is because it does not reflect the fact that the expected return on plan assets (based on the going concern assumptions) is greater than the discount rate used to determine the hypothetical wind-up liabilities.

## DISCOUNT RATE SENSITIVITY

The following table summarizes the effect on the hypothetical wind-up liabilities shown in this report of using a discount rate which is 1% lower than that used in the valuation:

| SCENARIO                             | VALUATION BASIS | REDUCE DISCOUNT RATE BY 1% |
|--------------------------------------|-----------------|----------------------------|
| Total hypothetical wind-up liability | \$32,744,600    | \$38,601,300               |

# 5

## VALUATION RESULTS – SOLVENCY

### OVERVIEW

The Act also requires the financial position of the Plan to be determined on a solvency basis. The financial position on a solvency basis is determined in a similar manner to the Hypothetical Wind-up Basis, except for the following:

| EXCEPTIONS                                                                                                                           | REFLECTED IN VALUATION BASED ON THE TERMS OF ENGAGEMENT                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| The circumstance under which the Plan is assumed to be wound up could differ for the solvency and hypothetical wind-up valuations.   | The same circumstances were assumed for the solvency valuation as were assumed for the hypothetical wind-up valuation. |
| Certain benefits can be excluded from the solvency financial position. These include:                                                | The following benefits were excluded from the solvency liabilities shown in this valuation:                            |
| (a) any escalated adjustment (e.g. indexing),                                                                                        | (a) post-retirement indexing                                                                                           |
| (b) certain plant closure benefits,                                                                                                  |                                                                                                                        |
| (c) certain permanent layoff benefits,                                                                                               |                                                                                                                        |
| (d) special allowances other than funded special allowances,                                                                         |                                                                                                                        |
| (e) consent benefits other than funded consent benefits,                                                                             |                                                                                                                        |
| (f) prospective benefit increases,                                                                                                   |                                                                                                                        |
| (g) potential early retirement window benefit values, and                                                                            |                                                                                                                        |
| (h) pension benefits and ancillary benefits payable under a qualifying annuity contract.                                             |                                                                                                                        |
| The financial position on the solvency basis needs to be adjusted for any Prior Year Credit Balance.                                 | Not applicable.                                                                                                        |
| The solvency financial position can be determined by smoothing assets and the solvency discount rate over a period of up to 5 years. | Solvency assets and liabilities were smoothed over 5 years.                                                            |
| The benefit rate increases coming into effect after the valuation date can be reflected in the solvency valuation.                   | Not applicable.                                                                                                        |

## FINANCIAL POSITION

The financial position on a solvency basis, compared with the corresponding figures from the previous valuation, is as follows:

|                                                | 31.12.2017    | 31.12.2014    |
|------------------------------------------------|---------------|---------------|
| <b>Assets</b>                                  |               |               |
| Market value of assets                         | \$29,685,800  | \$24,636,400  |
| Termination expense provision                  | (\$95,000)    | (\$85,000)    |
| Net assets                                     | \$29,590,800  | \$24,551,400  |
| <b>Liabilities</b>                             |               |               |
| Total hypothetical wind-up liabilities         | \$32,744,600  | \$28,683,600  |
| Difference in circumstances of assumed wind-up | \$0           | \$0           |
| Value of excluded benefits                     |               |               |
| • Active members                               | (\$2,417,700) | (\$2,836,000) |
| • Pensioners and survivors                     | (\$4,293,600) | (\$2,818,300) |
| • Deferred pensioners                          | (\$0)         | (\$0)         |
| Liabilities on a solvency basis                | \$26,033,300  | \$23,029,300  |
| Surplus (shortfall) on a market value basis    | \$3,557,500   | \$1,522,100   |
| Liability smoothing adjustment                 | \$980,900     | \$1,821,600   |
| Asset smoothing adjustment                     | (\$1,858,500) | (\$2,653,300) |
| Surplus (shortfall) on a solvency basis        | \$2,679,900   | \$690,400     |
| Transfer Ratio                                 | 91%           | 86%           |
| Solvency Ratio                                 | 114%          | 107%          |

## 6

### MINIMUM FUNDING REQUIREMENTS

The Act prescribes the minimum contributions that the Company must make to the Plan. The minimum contributions in respect of a defined benefit component of a pension plan are comprised of going concern current service cost, the provision for adverse deviations in respect of the current service cost and special payments to fund any funding shortfall or solvency shortfall that exceeds the level as set out under the Act.

On the basis of the assumptions and methods described in this report, no special payments are required. However, since the available actuarial surplus is zero, the Act requires the employer to contribute the current service cost including the provision for adverse deviations. The determination of the provision for adverse deviations is shown in Appendix A. On the basis of the assumptions and methods described in this report, the rule for determining the minimum required employer monthly contributions, as well as an estimate of the employee and employer contributions, from the valuation date until the next required valuation are as follows:

| Period beginning | EMPLOYER'S CONTRIBUTION RULE              |                                 |                                                                        |
|------------------|-------------------------------------------|---------------------------------|------------------------------------------------------------------------|
|                  | Monthly current service cost <sup>4</sup> | Provision for adverse deviation | Monthly current service cost including provision for adverse deviation |
| January 1, 2018  | 10.7%                                     | 1.1%                            | 11.8%                                                                  |
| January 1, 2019  | 10.2%                                     | 1.1%                            | 11.3%                                                                  |
| January 1, 2020  | 10.2%                                     | 1.1%                            | 11.3%                                                                  |

<sup>4</sup> Expressed as a percentage of members' pensionable earnings.



| Period beginning | Monthly Employee Contribution | ESTIMATED EMPLOYER'S CONTRIBUTIONS |                                          |                                                                  |                                                  |                               |
|------------------|-------------------------------|------------------------------------|------------------------------------------|------------------------------------------------------------------|--------------------------------------------------|-------------------------------|
|                  |                               | Monthly current service cost       | Monthly Provision for adverse deviations | Monthly current service cost and provision for adverse deviation | Available actuarial surplus applied <sup>5</sup> | Minimum monthly contributions |
| January 1, 2018  | \$16,800                      | \$27,300                           | \$2,700                                  | \$30,000                                                         | \$0                                              | \$30,000                      |
| January 1, 2019  | \$18,600                      | \$27,000                           | \$2,700                                  | \$29,700                                                         | \$0                                              | \$29,700                      |
| January 1, 2020  | \$19,300                      | \$27,900                           | \$2,800                                  | \$30,700                                                         | \$0                                              | \$30,700                      |

The estimated contribution amounts above are based on projected members' pensionable earnings. Therefore, the actual employer's current service cost and provision for adverse deviations in respect of the current service cost may be different from the above estimates and, as such, the contribution requirements should be monitored closely to ensure contributions resume in accordance with the Act.

Appendix A includes details on the determination of the provision for adverse deviations.

## OTHER CONSIDERATIONS

### Differences Between Valuation Bases

There is no provision in the minimum funding requirements to fund the difference between the hypothetical wind-up and reduced solvency shortfalls, if any.

In addition, although minimum funding requirements do include a requirement to fund the going concern current service cost and a provision for adverse deviations in respect of the current service cost, there is no requirement to fund the expected growth in the hypothetical wind-up or solvency liability after the valuation date, which could be greater than the going concern current service cost.

### Timing of Contributions

Funding contributions are due on a monthly basis. Contributions for current service cost and the provision for adverse deviations including the expense allowance must be made within 30 days following the month to which they apply. Special payment contributions must be made in the month to which they apply.

<sup>5</sup> Notwithstanding the available actuarial surplus in the Plan, the terms of the Plan may require the Company to make current service cost contributions.

### **Retroactive Contributions**

The Company must contribute the excess, if any, of the minimum contribution recommended in this report over contributions actually made in respect of the period following the valuation date. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed.

### **Payment of Benefits**

The Act imposes certain restrictions on the payment of lump sums from the Plan when the transfer ratio revealed in an actuarial valuation is less than one. If the transfer ratio shown in this report is less than one, the plan administrator should ensure that the monthly special payments are sufficient to meet the requirements of the Act to allow for the full payment of benefits, and otherwise should take the prescribed actions.

Additional restrictions are imposed when:

- The transfer ratio revealed in the most recently filed actuarial valuation is less than one and the administrator knows or 'ought to know' that the transfer ratio of the Plan has declined by 10% or more since the date the last valuation was filed.
- The transfer ratio revealed in the most recently filed actuarial valuation is greater than or equal to one and the administrator knows or 'ought to know' that the transfer ratio of the Plan has declined to less than 0.9 since the date the last valuation was filed.

As such, the administrator should monitor the transfer ratio of the Plan and, if necessary, take the prescribed actions.

### **Letters of Credit**

Minimum funding requirements in respect of required special payments that otherwise require monthly contributions to the pension fund may be met, in the alternative, by establishing an irrevocable letter of credit subject to the conditions established by the Act. Required solvency special payments in excess of those met by a letter of credit must be met by monthly contributions to the pension fund.

# 7

## MAXIMUM ELIGIBLE CONTRIBUTIONS

The *Income Tax Act* (the "ITA") limits the amount of employer contributions that can be remitted to the defined benefit component of a registered pension plan.

In accordance with Section 147.2 of the ITA and *Income Tax Regulation* 8516, for a plan which is underfunded on either a going concern or on a hypothetical wind-up basis, the maximum permitted contributions are equal to the employer's current service cost, including the provision for adverse deviations in respect of the current service cost and the explicit expense allowance if applicable, plus the greater of the going concern funding shortfall and hypothetical wind-up shortfall.

For a plan which is fully funded on both going concern and hypothetical wind-up bases, the employer can remit a contribution equal to the employer's current service cost, including the provision for adverse deviations in respect of the current service cost and explicit expense allowance if applicable, as long as the surplus in the plan does not exceed a prescribed threshold. Specifically, in accordance with Section 147.2 of the ITA, for a plan which is fully funded on both going concern and hypothetical wind-up bases, the plan may not retain its registered status if the employer makes a contribution while the going concern funding excess exceeds 25% of the going concern funding target.

Notwithstanding the above, any contributions that are required to be made in accordance with pension benefits legislation are eligible contributions in accordance with Section 147.2 of the ITA and can be remitted.

### SCHEDULE OF MAXIMUM CONTRIBUTIONS

The Company is permitted to fully fund the greater of the going concern and hypothetical wind-up shortfalls (\$3,153,800), as well as make current service cost contributions including the provision for adverse deviations in respect of the current service cost. The portion of this contribution representing the payment of the hypothetical wind-up shortfall can be increased with interest at 2.96% per year from the valuation date to the date the payment is made, and must be reduced by the amount of any deficit funding made from the valuation date to the date the payment is made.

Assuming the Company contributes the greater of the going concern and the hypothetical wind-up shortfall of \$3,153,800 as of the valuation date, the rule for determining the estimated maximum eligible annual contributions, as well as an estimate of the maximum eligible contributions until the next valuation, are as follows:

| Year beginning  | EMPLOYER'S CONTRIBUTION RULE                                                 |                 | ESTIMATED<br>EMPLOYER'S<br>CONTRIBUTIONS |
|-----------------|------------------------------------------------------------------------------|-----------------|------------------------------------------|
|                 | Monthly current service<br>cost including provision<br>for adverse deviation | Deficit Funding | Monthly current<br>service cost          |
| January 1, 2018 | 11.8%                                                                        | n/a             | \$30,000                                 |
| January 1, 2019 | 11.3%                                                                        | n/a             | \$29,700                                 |
| January 1, 2020 | 11.3%                                                                        | n/a             | \$30,700                                 |

The employer's current service cost and provision for adverse deviations in respect of the current service cost shown in the above table was estimated based on projected members' pensionable earnings. The actual employer's current service cost and provision for adverse deviations will be different from these estimates and, as such, the contribution requirements should be monitored closely to ensure compliance with the ITA.

## 8

### ACTUARIAL OPINION

In our opinion, for the purposes of the valuations,

- The membership data on which the valuation is based are sufficient and reliable.
- The assumptions are appropriate
- The methods employed in the valuation are appropriate.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada. It has also been prepared in accordance with the funding and solvency standards set by the Ontario *Pension Benefits Act*.



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M. Scott Cushing

Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries

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September 13, 2018

Date



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Diana Directo

Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries

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September 13, 2018

Date

# APPENDIX A

## PRESCRIBED DISCLOSURE

### DEFINITIONS

The Act defines a number of terms as follows:

| DEFINED TERM                                | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | RESULT       |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Going concern assets                        | Total value of assets plus the sum of the following: <ul style="list-style-type: none"> <li>(a) the present value of special payments in respect of any past service unfunded liability identified in a previously filed report</li> <li>(b) the present value of special payments in respect of any plan amendment that increases going concern liabilities</li> <li>(c) present value of special payments in respect of going concern unfunded liabilities identified in a previously filed report that are scheduled for payment within one year of the date of this report</li> </ul> | \$29,685,800 |
| Going concern excess / (unfunded liability) | The amount by which the Going Concern Assets exceed the sum of the following: <ul style="list-style-type: none"> <li>(a) the going concern liabilities <ul style="list-style-type: none"> <li>(i) liabilities excluding the value of escalated adjustments \$19,958,500</li> <li>(ii) liabilities in respect of escalated adjustments \$3,130,700</li> </ul> </li> <li>(b) the provision for adverse deviations in respect of the going concern liabilities excluding the value of escalated adjustments \$1,397,100</li> <li>(c) Prior Year Credit Balance \$0</li> </ul>                | \$5,199,500  |

| DEFINED TERM               | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | RESULT                                           |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Going concern funded ratio | The ratio of:<br>(a) Total value of assets (excluding letters of credit) less the Prior Year Credit Balance; to<br>(b) going concern liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1.29                                             |
| Transfer Ratio             | The ratio of:<br>(a) Solvency Assets minus the lesser of the Prior Year Credit Balance and the minimum required employer contributions including the provision for adverse deviations until the next required valuation; to<br>(b) the sum of the Solvency Liabilities and liabilities for benefits, other than benefits payable under qualifying annuity contracts, that were excluded in calculating the Solvency Liabilities.                                                                                                                                                                                                                                                                                                                                                                                                | 0.91                                             |
| Solvency Ratio             | The ratio of:<br>(a) Solvency Assets related to defined benefits and ancillary benefits plus the total amount of any letters of credit minus the Prior Year Credit Balance<br>(b) the sum of the Solvency Liabilities related to defined benefits and ancillary benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1.14                                             |
| Prior Year Credit Balance  | Accumulated excess of contributions made to the pension plan in excess of the minimum required contributions (note: only applies if the Company chooses to treat the excess contributions as a Prior Year Credit Balance)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$0                                              |
| Solvency Assets            | Market value of assets including accrued or receivable income and excluding the value of any qualifying annuity contracts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$29,685,800                                     |
| Solvency Asset Adjustment  | The sum of:<br>(a) the difference between smoothed value of assets and the market value of assets<br>(b) the present value of going concern special payments required to liquidate any past service unfunded liability<br>(c) the present value of going concern special payments identified in December 31, 2014 valuation and scheduled to start from 2018<br>(d) the present value of going concern special payments (identified in this report) that are scheduled for payment within 6 years following the valuation date<br>(e) the present value of any previously scheduled solvency special payments (excluding those identified in this report)<br>(f) the total value of all letters of credit in respect of the special payments due before the valuation date, subject to the limit of 15% of solvency liabilities | (\$1,858,500)<br>\$0<br>\$0<br>\$0<br>\$0<br>\$0 |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <hr/> (\$1,858,500)                              |

| DEFINED TERM                  | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | RESULT                                                                                                                                                                  |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Solvency Liabilities          | Liabilities determined as if the plan had been wound up on the valuation date, including liabilities for plant closure benefits or permanent layoff benefits that would be immediately payable if the employer's business were discontinued on the valuation date of the report, but, if elected by the plan sponsor, excluding liabilities for, <ul style="list-style-type: none"> <li>(a) any escalated adjustment,</li> <li>(b) excluded plant closure benefits,</li> <li>(c) excluded permanent layoff benefits,</li> <li>(d) special allowances other than funded special allowances,</li> <li>(e) consent benefits other than funded consent benefits,</li> <li>(f) prospective benefit increases,</li> <li>(g) potential early retirement window benefit values, and</li> <li>(h) pension benefits and ancillary benefits payable under a qualifying annuity contract.</li> </ul> | \$26,033,300                                                                                                                                                            |
| Solvency Liability Adjustment | The amount by which Solvency Liabilities are adjusted as a result of using a solvency valuation interest rate that is the average of market interest rates calculated over the period of time used in the determination of the smoothed value of assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (\$980,900)                                                                                                                                                             |
| Solvency Deficiency           | The amount, if any, by which the sum of: <ul style="list-style-type: none"> <li>(a) the Solvency Liabilities</li> <li>(b) the Solvency Liability Adjustment</li> <li>(c) the Prior Year Credit Balance</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;"> \$26,033,300<br/> (\$980,900)<br/> \$0<br/> <hr/> \$25,052,400 </div> </div>   |
|                               | Exceeds the sum of <ul style="list-style-type: none"> <li>(d) the Solvency Assets net of estimated termination expenses<sup>6</sup></li> <li>(e) the Solvency Asset Adjustment</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;"> \$29,590,800<br/> (\$1,858,500)<br/> <hr/> \$27,732,300<br/> \$0 </div> </div> |

<sup>6</sup> In accordance with accepted actuarial practice, for purposes of determining the financial position, the market value of plan assets was reduced by a provision for estimated termination expenses payable from the Plan's assets that may reasonably be expected to be incurred in terminating the Plan and to be charged to the Plan.



| DEFINED TERM                                    | DESCRIPTION                                                                | RESULT        |
|-------------------------------------------------|----------------------------------------------------------------------------|---------------|
| Reduced Solvency Deficiency / (Solvency Excess) | The amount by which the sum of:                                            |               |
|                                                 | (a) 85% of the Solvency Liabilities                                        | \$22,128,300  |
|                                                 | (b) 85% of the Solvency Liability Adjustment                               | (\$833,800)   |
|                                                 | (c) the Prior Year Credit Balance                                          | \$0           |
|                                                 |                                                                            | <hr/>         |
|                                                 |                                                                            | \$21,294,500  |
|                                                 | Exceeds the sum of:                                                        |               |
|                                                 | (d) the Solvency Assets net of estimated termination expenses <sup>8</sup> | \$29,590,800  |
|                                                 | (e) the Solvency Asset Adjustment                                          | (\$1,858,500) |
|                                                 |                                                                            | <hr/>         |
|                                                 |                                                                            | \$27,732,300  |
|                                                 |                                                                            | (\$6,437,800) |

#### PROVISION FOR ADVERSE DEVIATIONS

The provision for adverse deviations has been established in accordance with regulations taking into account the following parameters:

|                                                   | DEFINED AMOUNT                                                                                                                                                                                                  | RESULTS |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Fixed Income Component (L)                        | The sum of the Plan's target allocation of assets (excluding those allocated to annuity contracts and meeting the minimum rating requirement) as described in the regulations applicable at the valuation date: | 0.0%    |
| Alternative Investment Component (M)              | The sum of the Plan's target allocation of assets (excluding those allocated to annuity contracts) meeting requirements as described in the regulations applicable at the valuation date:                       | 0.0%    |
| Investment Component (N)                          | Plan's target asset allocation for mutual, pooled or segregated funds                                                                                                                                           | 100.0%  |
| Investment Component Fixed Income % (P)           | Portion of Investment Component (N) that is allocated to investment categories accounted for in Fixed Income Component (L)                                                                                      | 50.0%   |
| Investment Component Alternative Investment % (Q) | Portion of Investment Component (N) that is allocated to investment categories accounted for in Alternative Income Component (M)                                                                                | 0.0%    |
| Annuity Contract Allocation (R)                   | Annuity contracts that have been purchased from an insurance company and excluded from the Fixed Income Component (L) and Alternative Investment Component (M)                                                  | 0.0%    |

**Combined Target Asset Allocation for Fixed Income Assets (J)**

Sum of

|                                                                                               |        |
|-----------------------------------------------------------------------------------------------|--------|
| • Fixed Income Component (L)                                                                  | 0.00%  |
| • 0.5 x Alternative Investment Component (0.5 x M)                                            | 0.00%  |
| • Investment Component x Investment Component Fixed Income %<br>(N x P)                       | 50.00% |
| • 0.5 x Investment Component x Investment Component Alternative<br>Investment % (0.5 x N x Q) | 0.00%  |
|                                                                                               | <hr/>  |
|                                                                                               | 50.00% |

Divided by

|                                                 |      |
|-------------------------------------------------|------|
| • 100% - Annuity Contract Allocation (100% - R) | 100% |
|-------------------------------------------------|------|

**Combined Target Asset Allocation for Fixed Income Assets** **50.00%**

**Combined Target Asset Allocation for Non-Fixed Income Assets (K)**

100% – Combined Target Asset for Fixed Income Assets (100% - J) **50.00%**

**Duration of going-concern liabilities at valuation date**

=  $(F - G) / (G \times 0.01)$  **14.6**

where,

G = going-concern liabilities excluding liabilities in respect of escalated adjustments and liabilities in respect of benefits for which an annuity contract has been purchased at valuation date established using the discount rate determined for this valuation \$19,958,500

F = going-concern liabilities excluding liabilities in respect of escalated adjustments and liabilities in respect of benefits for which an annuity contract has been purchased established using the discount rate minus 1% \$22,864,000

**Benchmark Discount Rate (E)**

|                                                                                |             |
|--------------------------------------------------------------------------------|-------------|
| Base rate                                                                      | 0.50%       |
| Effective yield from CANSIM Series V39056 (H)                                  | 2.26%       |
| 1.5% x Combined Target Asset Allocation for Fixed Income Assets (1.5% x J)     | 0.75%       |
| 5.0% x Combined Target Asset Allocation for Non-Fixed Income Assets (5.0% x K) | 2.50%       |
| <b>Benchmark Discount Rate</b>                                                 | <hr/> 6.01% |

**Provision for Adverse Deviations**

|                                                     |                                                                                                  |              |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------|
| (A)                                                 | 5.0% for a closed plan and 4.0% for a Plan that is not a closed plan                             | 4.00%        |
| (B)                                                 | Provision based on Combined Target Asset Allocation for Non-Fixed Income Assets                  | 3.00%        |
| (C)                                                 | Greater of zero and the                                                                          |              |
|                                                     | • Duration of going concern liabilities at valuation date                                        | 14.6         |
|                                                     | Multiplied by the excess of:                                                                     |              |
|                                                     | – Going concern valuation gross discount rate net of active investment management fees (D), less | 5.50%        |
|                                                     | – Benchmark Discount Rate (E)                                                                    | 6.01% 0.00%  |
| <b>Provision for Adverse Deviations (A + B + C)</b> |                                                                                                  | <b>7.00%</b> |

The available actuarial surplus that may be used according to the Act is established as follows:

**Available actuarial surplus**

Excess of

- Going-concern assets \$29,685,800

Over

- Going-concern liabilities \$23,089,200
  - Provision for adverse deviations in respect of the going concern liabilities \$1,397,100
  - Prior Year Credit Balance \$0 \$24,486,300
- \$5,199,500 (a)

Excess of

- Solvency assets excluding the value of any letters of credits and lesser of Prior Year Credit Balance and minimum required employer contributions, including the provision for adverse deviations until the next required valuation \$29,685,800

Over

- Wind-up liabilities x 105% \$34,381,800
- \$0 (b)

The available actuarial surplus = the lesser of a) and b) above \$0

## TIMING OF NEXT REQUIRED VALUATION

In accordance with the Act the next valuation of the Plan would be required at an effective date within one year of the current valuation date if:

- The ratio of solvency assets to solvency liabilities is less than 85%.
- The employer elected to exclude plant closure or permanent lay-off benefits under Section 5(18) of the regulations, and has not rescinded that election.

Otherwise, the next valuation of the Plan would be required at an effective date no later than three years after the current valuation date.

Accordingly, the next valuation of the Plan will be required as of December 31, 2020.

## TRANSITIONAL RULES

Transitional rules under the Act state that any increase in contributions caused by the new funding rules above what the old funding rules determined under the Regulations in effect immediately before May 1, 2018 would have required can be phased-in over the three-year period following the first report filed under the new framework, with no requirement for an increase in the first year.

The minimum funding requirements that would have been required in each of years 2018, 2019 and 2020 under the old funding rules would have been higher than minimum funding requirements under the new funding rules. As such, the transitional rules have no impact on the minimum funding requirements.

## SPECIAL PAYMENTS

As the Plan does not have a funding shortfall and there is a solvency excess, no special payments are required.

## PENSION BENEFITS GUARANTEE FUND (PBGF) ASSESSMENT

A PBGF assessment is required to be paid under Section 37 of the Act. The PBGF assessment base is derived as follows:

|                                                                                                                                                                                      |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Solvency assets                                                                                                                                                                      | \$29,685,800 (a)             |
| PBGF liabilities                                                                                                                                                                     | \$26,033,300 (b)             |
| Solvency liabilities                                                                                                                                                                 | \$26,033,300 (c)             |
| Ontario asset ratio                                                                                                                                                                  | 100% (d) = (b) ÷ (c)         |
| Ontario portion of the fund                                                                                                                                                          | \$29,685,800 (e) = (a) x (d) |
| PBGF assessment base                                                                                                                                                                 | \$0 (f) = max(0, (b) – (e))  |
| Amount of additional liability for plant closure and/or permanent layoff benefits which is not funded and subject to the 2% (3% for years after 2018) assessment pursuant to s.37(4) | \$0 (g)                      |

# APPENDIX B

## PLAN ASSETS

The pension fund is held by RBC Investor and Treasury Services. In preparing this report, we have relied upon fund statements prepared by RBC Investor and Treasury Services without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

### RECONCILIATION OF MARKET VALUE OF PLAN ASSETS

The pension fund transactions since the last valuation are summarized in the following table:

|                                             | 2015         | 2016         | 2017         |
|---------------------------------------------|--------------|--------------|--------------|
| January 1                                   | \$24,581,678 | \$26,209,188 | \$27,158,423 |
| PLUS                                        |              |              |              |
| Members' contributions                      | \$196,133    | \$234,544    | \$190,161    |
| Company's contributions                     | \$679,342    | \$492,152    | \$497,045    |
| Investment earnings                         | \$1,677,397  | \$1,237,352  | \$2,884,298  |
|                                             | \$2,552,872  | \$1,964,048  | \$3,571,504  |
| LESS                                        |              |              |              |
| Pensions paid                               | \$895,625    | \$986,112    | \$1,091,105  |
| Lump-sums paid                              | \$0          | \$0          | \$0          |
| Investment fees                             | \$29,737     | \$28,701     | \$31,523     |
|                                             | \$925,362    | \$1,014,813  | \$1,122,628  |
| December 31st                               | \$26,209,188 | \$27,158,423 | \$29,607,299 |
| Gross rate of return <sup>7</sup>           | 6.83%        | 4.75%        | 10.71%       |
| Rate of return net of expenses <sup>8</sup> | 6.71%        | 4.63%        | 10.58%       |

<sup>7</sup> Assuming mid-period cash flows.

The market value of assets shown in the above table is adjusted to reflect in-transit amounts as follows:

|                                                        | CURRENT<br>VALUATION | PREVIOUS<br>VALUATION |
|--------------------------------------------------------|----------------------|-----------------------|
| Market value of invested assets                        | \$29,607,299         | \$24,581,678          |
| In-transit amounts                                     |                      |                       |
| • Members' contributions                               | \$24,812             | \$18,236              |
| • Company's contributions                              | \$53,684             | \$36,476              |
| • Expenses                                             | (\$0)                | (\$0)                 |
| • Benefit payments                                     | (\$0)                | (\$0)                 |
| Market value of assets adjusted for in-transit amounts | \$29,685,795         | \$24,636,390          |

We have tested the pensions paid, the lump-sums paid, and the contributions for consistency with the membership data for the Plan members who have received benefits or made contributions. The results of these tests were satisfactory.

#### INVESTMENT POLICY

The plan administrator has adopted a statement of investment policy and procedures. This policy is intended to provide guidelines for the manager(s) as to the level of risk that is consistent with the Plan's investment objectives. A significant component of this investment policy is the asset mix.

The plan administrator is solely responsible for selecting the plan's investment policies, asset allocations, and individual investments.

The constraints on the asset mix and the actual asset mix at the valuation date are provided for information purposes:

|                           | INVESTMENT POLICY |        |         | ACTUAL ASSET<br>MIX AS AT<br>DECEMBER 31,<br>2017 |
|---------------------------|-------------------|--------|---------|---------------------------------------------------|
|                           | Minimum           | Target | Maximum |                                                   |
| Equities                  | 40%               | 50%    | 60%     | 50.9%                                             |
| Fixed Income              | 40%               | 50%    | 60%     | 48.8%                                             |
| Cash and cash equivalents | 0%                | 0%     | 0%      | 0.3%                                              |
|                           |                   | 100%   |         | 100%                                              |

Because of the mismatch between the Plan's assets (which are invested in accordance with the above investment policy) and the Plan's liabilities (which tend to behave like long bonds) the Plan's financial position will fluctuate over time. These fluctuations could be significant and could cause the Plan to become underfunded or overfunded even if the Company contributes to the Plan based on the funding requirements presented in this report.



# APPENDIX C

## METHODS AND ASSUMPTIONS – GOING CONCERN

### VALUATION OF ASSETS

For this valuation, we have used the market value of assets.

### GOING CONCERN FUNDING TARGET

Over time, the real cost to the employer of a pension plan is the excess of benefits and expenses over member contributions and investment earnings. The actuarial cost method allocates this cost to annual time periods.

For purposes of the going concern valuation, we have continued to use the projected unit credit actuarial cost method. Under this method, we determine the present value of benefit cash flows expected to be paid in respect of service accrued prior to the valuation date, based on projected final average earnings. This is referred to as the funding target. For each individual plan member, accumulated contributions with interest are established as a minimum actuarial liability.

The funding excess or funding shortfall, as the case may be, is the difference between the market or smoothed value of assets and the funding target. A funding excess on a market value basis indicates that the current market value of assets and expected investment earnings are expected to be sufficient to meet the cash flows in respect of benefits accrued to the valuation date as well as expected expenses – assuming the plan is maintained indefinitely. A funding shortfall on a market value basis indicates the opposite – that the current market value of the assets is not expected to be sufficient to meet the plan's cash flow requirements in respect of accrued benefits, absent additional contributions.

As required under the Act, a funding shortfall and the provision for adverse deviations must be amortized over no more than 10 years through special payments beginning one year after the valuation date. A funding excess may, from an actuarial standpoint, be applied immediately to reduce required employer current service contributions unless precluded by the terms of the plan or by legislation.

The actuarial cost method used for the purposes of this valuation produces a reasonable matching of contributions with accruing benefits. Because benefits are recognized as they accrue, the actuarial cost method provides an effective funding target for a plan that is maintained indefinitely.

### Current Service Cost

The current service cost is the present value of projected benefits to be paid under the Plan with respect to service expected to accrue during the period until the next valuation.

The employer's current service cost is the total current service cost reduced by the members' required contributions.

The employer's current service cost has been expressed as a percentage of the members' pensionable earnings to provide an automatic adjustment in the event of fluctuations in membership and/or pensionable earnings.

Under the projected unit credit actuarial cost method, the current service cost for an individual member will increase each year as the member approaches retirement. However, the current service cost of the entire group, expressed as a percentage of the members' pensionable earnings, can be expected to remain stable as long as the average age distribution of the group remains constant.

### ACTUARIAL ASSUMPTIONS – GOING CONCERN BASIS

The present value of future benefit payment cash flows is based on economic and demographic assumptions. At each valuation we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them, if necessary. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations.

The table below shows the various assumptions used in the current valuation in comparison with those used in the previous valuation.

| ASSUMPTION                          | CURRENT VALUATION                                                         | PREVIOUS VALUATION                                                        |
|-------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Discount rate:                      | 5.40%                                                                     | 4.75%                                                                     |
| Explicit expenses:                  | \$0                                                                       | \$0                                                                       |
| Inflation:                          | 2.00%                                                                     | 2.00%                                                                     |
| ITA limit / YMPE increases:         | 3.00%                                                                     | 3.00%                                                                     |
| Pensionable earnings increases:     | 3.50%                                                                     | 3.50%                                                                     |
| Post-retirement pension increases:  | 1.50%                                                                     | 2.00%                                                                     |
| Interest on employee contributions: | 5.40%                                                                     | 4.75%                                                                     |
| Retirement rates:                   | 60% when first meet<br>unreduced pension eligibility;<br>Remaining at 65. | 60% when first meet<br>unreduced pension eligibility;<br>Remaining at 65. |
| Termination rates:                  | None                                                                      | None                                                                      |

| ASSUMPTION                     | CURRENT VALUATION                                                                              | PREVIOUS VALUATION                                                                             |
|--------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Mortality rates:               | 100% of the rates of the 2014 Private Sector Canadian Pensioners Mortality Table (CPM2014Priv) | 100% of the rates of the 2014 Private Sector Canadian Pensioners Mortality Table (CPM2014Priv) |
| Mortality improvements:        | Fully generational using CPM Improvement Scale B (CPM-B)                                       | Fully generational using CPM Improvement Scale B (CPM-B)                                       |
| Disability rates:              | None                                                                                           | None                                                                                           |
| Eligible spouse at retirement: | 80%                                                                                            | 80%                                                                                            |
| Spousal age difference:        | Male 3 years older                                                                             | Male 3 years older                                                                             |

The assumptions are best estimates and do not include a margin for adverse deviations.

### Pensionable Earnings

The benefits ultimately paid will depend on each member's final average earnings. To calculate the pension benefits payable upon retirement, death, or termination of employment, we have taken 2017 earnings and assumed that such pensionable earnings will increase at the assumed rate.

### RATIONALE FOR ASSUMPTIONS

A rationale for each of the assumptions used in the current valuation is provided below.

#### DISCOUNT RATE

We have discounted the expected benefit payment cash flows using the expected investment return on the market value of the fund net of fees. Other bases for discounting the expected benefit payment cash flows may be appropriate, particularly for purposes other than those specifically identified in this valuation report.

The discount rate is comprised of the following:

- Estimated returns for each major asset class consistent with market conditions on the valuation date, the expected time horizon over which benefits are expected to be paid, and the target asset mix specified in the Plan's investment policy.
- Implicit provision for investment expenses determined as the average rate of investment expenses paid from the fund over the last 3 years

The discount rate was developed as follows:

|                              |         |
|------------------------------|---------|
| Assumed investment return    | 5.50%   |
| Expense Provision            | (0.10%) |
| Margin for adverse deviation | N/A     |
| Net discount rate            | 5.40%   |

## **EXPENSES**

Administrative expenses are not paid from the Plan.

## **INFLATION**

The inflation assumption is based on market expectations of long-term inflation implied by the yields on nominal and real return bonds at the valuation date of taking into account the mid-point of the Bank of Canada's inflation target range of between 1% and 3%.

## **INCOME TAX ACT PENSION LIMIT AND YEAR'S MAXIMUM PENSIONABLE EARNINGS**

The assumption is based on historical real economic growth and the underlying inflation assumption.

## **PENSIONABLE EARNINGS**

The assumption is based on general wage growth assumptions increased by our best estimate of future merit and promotional increases over general wage growth considering current economic and financial market conditions.

## **POST-RETIREMENT PENSION INCREASES**

The assumption is based on the Plan formula and a 20-year stochastic model for inflation centred around a cumulative assumed median inflation of 2%, consistent with the inflation assumption described above.

## **RETIREMENT RATES**

Due to the size of the Plan, there is no meaningful retirement experience. The assumption is based on the Plan provisions and our experience with similar plans and employee groups.

## **TERMINATION RATES**

Use of a different assumption would not have a material impact on the valuation.

## MORTALITY RATES

The assumption for the mortality rates is based on the Canadian Pensioners' Mortality (CPM) study published by the Canadian Institute of Actuaries in February 2014.

Due to the size of the Plan, specific data on plan mortality experience is insufficient to determine the mortality rates. After considering plan-specific characteristics, such as the type of employment, the industry experience, pension and employment income for the plan members, and data in the CPM study, it was determined to use the CPM mortality rates from the private sector without adjustment.

There is broad consensus among actuaries and other longevity experts that mortality improvement will continue in the future, but the degree of future mortality improvement is uncertain. Two mortality improvement scales were recently published by the Canadian Institute of Actuaries (CIA) and may apply to Canadian pension valuations:

- The Canadian Pensioners Mortality (CPM) study published in February 2014 included CPM Improvement Scale B (CPM-B) which is also used for commuted value calculations.
- A report released by the Task Force on Mortality Improvement on September 20, 2017 includes an analysis of the rate of mortality improvement for the Canadian population and provides for mortality improvement scale MI-2017 to be considered for the purpose of reflecting future mortality improvement in Canadian actuarial work, while acknowledging that it might be appropriate to use alternative mortality improvement assumptions to reflect the nature of the work.

The CIA Committee on Pension Plan Financial Reporting published a revised version of the Educational Note on the Selection of Mortality Assumptions for Pension Plan Valuations on December 21, 2017. The Educational Note indicates that given the recent publication of the CPM-B and MI-2017 improvement scales and the similar data sets used in their development, it may be appropriate to use either scale in the absence of credible information to the contrary, such as the publication of a successor scale by the CIA.

For the present valuation, we have continued to use the CPM-B scale, which is a reasonable outlook for future mortality improvement.

Based on the assumption used, the life expectancy of a member age 65 at the valuation date is 21.6 years for males and 24.1 years for females.

## INTEREST ON EMPLOYEE CONTRIBUTIONS

The assumption is based on Plan terms and the underlying investment return assumption.

## DISABILITY RATES

Use of a different assumption would not have a material impact on the valuation.

## ELIGIBLE SPOUSE

The assumption is based on an industry standard for non-retired members (actual status used for retirees).

## SPOUSAL AGE DIFFERENCE

The assumption is based on an industry standard showing males are typically 3 years older than their spouse.

# APPENDIX D

## METHODS AND ASSUMPTIONS

### – HYPOTHETICAL WIND-UP AND SOLVENCY

#### HYPOTHETICAL WIND-UP BASIS

The Canadian Institute of Actuaries requires actuaries to report the financial position of a pension plan on the assumption that the plan is wound up on the effective date of the valuation, with benefits determined on the assumption that the pension plan has neither a surplus nor a deficit.

To determine the actuarial liability on the hypothetical wind-up basis, we have valued those benefits that would have been paid had the Plan been wound up on the valuation date, with all members fully vested in their accrued benefits including, however, the impact of plan amendments with an effective date before the next scheduled valuation which have been reflected in the going concern valuation results.

The Standards of Practice of the Canadian Institute of Actuaries require that the scenario upon which the hypothetical wind-up valuation is based be postulated. However, there are no benefits under the plan contingent upon the circumstances of the plan wind-up or contingent upon other factors. Therefore, it was not necessary to postulate a scenario upon which the hypothetical wind-up valuation is made. No benefits payable on plan wind-up were excluded from our calculations. The plan wind-up is assumed to occur in circumstances that maximize the actuarial liability.

Upon plan wind-up, members are given options for the method of settling their benefit entitlements. The options vary by eligibility and by province of employment, but in general, involve either a lump sum transfer or an immediate or deferred pension.

The value of benefits assumed to be settled through a lump sum transfer is based on the assumptions described in Section 3500 – *Pension Commuted Values* of the Canadian Institute of Actuaries' Standards of Practice applicable for December 31, 2017.

Benefits provided as an immediate or deferred pension are assumed to be settled through the purchase of annuities based on an estimate of the cost of purchasing annuities.

The Plan provides for indexing at 100% of CPI increase, if CPI is less than 2.00%, otherwise indexing is equal to 50% of the CPI increase, with a minimum of 2.00% and a maximum adjustment of 5.00%. Therefore the Plan formula is a CPI related formula that provides a cap on the risk to the Plan sponsor of a CPI higher than 2.00%. However, there is limited data available to provide credible guidance on the cost of such a CPI related purchase of annuities in Canada. In light of these limitations, the basis for the cost of purchasing annuities is equal to the non-indexed annuity proxy rate determined in accordance with the *Canadian Institute of Actuaries Educational Note: Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates Between December 31, 2017 and December 30, 2018* (the "Educational Note"), reduced by an assumed inflation adjustment. The best estimate of future inflation is derived from the difference in the unadjusted average yield on Government of Canada marketable bonds over 10 years (i.e. CANSIM series V39062) to the unadjusted yield on Government of Canada real-return long-term bonds (i.e. CANSIM series V39057) (1.65%). However, we expect that if an insurance company were to take on these obligations they would demand a higher price due to the risk of CPI becoming higher than the implied inflation. We have assumed an inflation adjustment of 2.00%. The spread between the implied inflation of 1.65% and the assumed pricing assumption of 2.00% is intended to provide for the risk of inflation being greater than 1.65%. We note that the above basis is theoretical and does not represent the cost of such CPI related indexed annuities can be purchased in today's market.

The Educational Note provides guidance on estimating the cost of annuity purchases assuming a typical group of annuitants. That is, no adjustments for sub- or super-standard mortality are considered. However, it is expected that insurers will consider plan experience and certain plan-specific characteristics when determining the mortality basis for a particular group. The Educational Note states that the actuary would be expected to make an adjustment to the regular annuity purchase assumptions where there is demonstrated substandard or super-standard mortality or where an insurer might be expected to assume so. In such cases, the actuary would be expected to make an adjustment to the mortality assumption in a manner consistent with the underlying annuity purchase basis. Given the uncertainty surrounding the actual mortality basis that would be typical of a group annuity purchase, it is reasonable to assume that there is a range of bases that can be expected not to be materially different from the actual mortality basis. Therefore, an adjustment to the regular annuity purchase assumptions would be warranted when the plan's assumed basis falls outside that range.

In this context, we have determined that no adjustment to the mortality rates used in the regular annuity purchase assumptions is required.

We have not included a margin for adverse deviation in the solvency and hypothetical wind-up valuations.

The assumptions are as follows:

#### FORM OF BENEFIT SETTLEMENT ELECTED BY MEMBER

|           |                                                                                                                                                  |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Lump sum: | 70% of active and deferred members under age 55, and 50% of active members over age 55, elect to receive their benefit entitlement in a lump sum |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------|

Annuity purchase: All remaining members are assumed to elect to receive their benefit entitlement in the form of a deferred or immediate pension. These benefits are assumed to be settled through the purchase of deferred or immediate annuities from a life insurance company.

#### **BASIS FOR BENEFITS ASSUMED TO BE SETTLED THROUGH A LUMP SUM**

Mortality rates: 100% of the rates of the 2014 Canadian Pensioners Mortality Table (CPM2014) with fully generational improvements using CPM Scale B

Interest rate: 2.60% per year for 10 years, 3.40% per year thereafter (2.50% per year for 10 years, 3.80% per year thereafter for solvency)

Inflation rate: 1.25% per year for 10 years, 1.80% per year thereafter (plan indexing excluded for solvency purposes)

#### **BASIS FOR BENEFITS ASSUMED TO BE SETTLED THROUGH THE PURCHASE OF AN ANNUITY**

Mortality rates: 100% of the rates of the 2014 Canadian Pensioners Mortality Table (CPM2014) with fully generational improvements using CPM Scale B

Adjustment to mortality rates: No adjustment

Interest rate: 3.06% (3.40% for solvency liability adjustment) per year based on a duration of 12.12 years determined for the liabilities assumed to be settled through the purchase of an annuity.

Inflation rate: 1.65% per year plus a margin for risk of CPI being higher than the current market implied inflation, resulting in indexing of 2.00% per year (plan indexing excluded for solvency)

#### **RETIREMENT AGE**

Maximum value: Members are assumed to retire at the age which maximizes the value of their entitlement from the Plan, based on the eligibility requirements which have been met at the valuation date

Grow-in: The benefit entitlement and assumed retirement age of members whose age plus service equals at least 55 at the valuation date reflect their entitlement to grow into early retirement subsidies

#### **OTHER ASSUMPTIONS**

Final average earnings: Calculated using the final pensionable earnings and the assumed rate of increase in earnings

Family composition: Same as for going concern valuation

Maximum pension limit: \$2,944.44

Termination expenses: \$95,000

To determine the hypothetical wind-up position of the Plan, a provision has been made for estimated termination expenses payable from the Plan's assets in respect of actuarial and administration expenses that may reasonably be expected to be incurred in terminating the Plan and to be charged to the Plan.



Because the settlement of all benefits on wind-up is assumed to occur on the valuation date and is assumed to be uncontested, the provision for termination expenses does not include custodial, investment management, auditing, consulting, and legal expenses that would be incurred between the wind-up date and the settlement date or due to the terms of a wind-up being contested.

Expenses associated with the distribution of any surplus assets that might arise on an actual wind-up are also not included in the estimated termination expense provisions.

The provision for termination expenses payable from the Plan's assets determined is not dependent upon the plan sponsor being solvent or not on the wind-up date. We have also assumed, without analysis, that the Plan's terms as well as applicable legislation and court decisions would permit the relevant expenses to be paid from the Plan.

Although the termination expense assumption is a best estimate, actual fees incurred on an actual plan wind-up may differ materially from the estimates disclosed in this report.

### INCREMENTAL COST

In order to determine the incremental cost, we estimate the hypothetical wind-up liabilities at the next valuation date. We have assumed that the cost of settling benefits by way of a lump sum or purchasing annuities remains consistent with the assumptions described above. Since the projected hypothetical wind-up liabilities will depend on the membership in the Plan at the next valuation date, we must make assumptions about how the Plan membership will evolve over the period until the next valuation.

We have assumed that the Plan membership will evolve in a manner consistent with the going concern assumptions as follows:

- Members terminate, retire, and die consistent with the termination, retirement, and mortality rates used for the going concern valuation.
- Pensionable earnings, the Income Tax Act pension limit, and the Year's Maximum Pensionable Earnings increase in accordance with the related going concern assumptions.
- Active members accrue pensionable service in accordance with the terms of the Plan.
- Cost of living adjustments are consistent with the inflation assumption used for the going concern valuation.

### SOLVENCY BASIS

In determining the financial position of the Plan on the solvency basis, we have used the smoothed value of the assets, smoothed the discount rates to value the liabilities and excluded indexing.

The solvency position is determined in accordance with the requirements of the Act.

### VALUATION ASSETS

We have used a smoothed value of the Plan's assets in our valuation of the Plan for solvency purposes and the market value of the Plan's assets for wind-up purposes.

The smoothed value of assets has been determined by recognizing the difference each year between the actual market value and the expected market value (based on the assumed investment return of 4.75% over a 5 year period).

The asset value provided by this method are related to the market value of assets, with the advantage that, over time, the market-related asset values will tend to be more stable than market values.

|                   | MARKET VALUE<br>OF ASSETS | EXPECTED VALUE<br>OF ASSETS | DIFFERENCE  |
|-------------------|---------------------------|-----------------------------|-------------|
| December 31, 2014 | \$24,581,678              | \$22,448,945                | \$2,132,733 |
| December 31, 2015 | \$26,209,188              | \$25,728,679                | \$480,509   |
| December 31, 2016 | \$27,158,423              | \$27,188,548                | (\$30,124)  |
| December 31, 2017 | \$29,607,299              | \$28,034,957                | \$1,572,342 |

The smoothed value of assets at December 31, 2017 is calculated as the market value less the total unrecognized difference. The unrecognized difference is calculated as follows:

- 4/5 x \$1,572,342 plus
- 3/5 x (\$30,124) plus
- 2/5 x \$480,509 plus
- 1/5 x \$2,132,733
- = \$1,858,549

The resulting smoothed value of assets is calculated to be

$$\$29,607,299 + (\$1,858,549) + \$78,496^9 = \$27,827,246$$

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<sup>9</sup> Adjustment for in-transit amounts

# APPENDIX E

## MEMBERSHIP DATA

### ANALYSIS OF MEMBERSHIP DATA

The actuarial valuation is based on membership data as at December 31, 2017, provided by FortisOntario Inc.

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest, and pensions to retirees and other members entitled to a deferred pension. Contributions, lump sum payments, and pensions to retirees were compared with corresponding amounts reported in financial statements. The results of these tests were satisfactory.

If the data supplied are not sufficient and reliable for its intended purpose, the results of our calculation may differ significantly from the results that would be obtained with such data. Although Mercer has reviewed the suitability of the data for its intended use in accordance with accepted actuarial practice in Canada, Mercer has not verified or audited any of the data or information provided.

Plan membership data are summarized below. For comparison, we have also summarized corresponding data from the previous valuation.

|                                                     | 31.12.2017  | 31.12.2014  |
|-----------------------------------------------------|-------------|-------------|
| <b>Active Members</b>                               |             |             |
| Number                                              | 33          | 37          |
| Total pensionable earnings for the following year   | \$3,057,200 | \$3,097,000 |
| Average pensionable earnings for the following year | \$92,600    | \$83,700    |
| Average years of pensionable service                | 12.4        | 14.2        |
| Average age                                         | 43.0        | 45.7        |
| Accumulated contributions with interest             | \$1,908,800 | \$2,227,600 |
| <b>Deferred Pensioners</b>                          |             |             |
| Number                                              | 1           | 1           |
| Total annual pension                                | ***         | ***         |
| Average annual pension                              | ***         | ***         |
| Average age                                         | ***         | ***         |
| <b>Pensioners and Survivors</b>                     |             |             |
| Number                                              | 37          | 31          |
| Total annual lifetime pension                       | \$1,042,500 | \$790,400   |
| Total annual temporary pension                      | \$132,600   | \$79,500    |
| Average annual lifetime pension                     | \$28,200    | \$25,500    |
| Average age                                         | 70.9        | 71.4        |

\*\*\* For confidentiality reasons, information is not shown for groupings with less than two members.

The membership movement for all categories of membership since the previous actuarial valuation is as follows:

|                          | ACTIVES | DEFERRED<br>PENSIONERS | PENSIONERS<br>AND<br>SURVIVORS | TOTAL |
|--------------------------|---------|------------------------|--------------------------------|-------|
| Total at 31.12.2014      | 37      | 1                      | 31                             | 69    |
| New entrants             | 4       |                        |                                | 4     |
| Terminations:            |         |                        |                                |       |
| • Transfers/lump<br>sums |         |                        |                                |       |
| • Deferred<br>pensions   |         |                        |                                |       |
| Deaths                   |         |                        | (3)                            | (3)   |
| Retirements              | (8)     |                        | 8                              | 0     |
| Beneficiaries            |         |                        | 1                              | 1     |
| Total at 31.12.2017      | 33      | 1                      | 37                             | 71    |

The distribution of the active members by age and pensionable service as at the valuation date is summarized as follows:

| Age      | YEARS OF PENSIONABLE SERVICE |     |       |       |       |       |      | Total |
|----------|------------------------------|-----|-------|-------|-------|-------|------|-------|
|          | 0-4                          | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 + |       |
| Under 20 |                              |     |       |       |       |       |      |       |
| 20 to 24 |                              |     |       |       |       |       |      |       |
| 25 to 29 | 7                            | 1   |       |       |       |       |      | 8     |
| 30 to 34 | 1                            | 1   |       |       |       |       |      | 2     |
| 35 to 39 |                              |     | 1     |       |       |       |      | 1     |
| 40 to 44 |                              | 3   | 2     |       |       |       |      | 5     |
| 45 to 49 |                              | 3   | 2     |       | 1     | 1     |      | 7     |
| 50 to 54 |                              |     | 1     | 2     |       | 2     |      | 5     |
| 55 to 59 |                              |     |       | 1     |       | 1     | 1    | 3     |
| 60 to 64 |                              |     | 1     |       |       |       |      | 1     |
| 65 +     |                              |     |       | 1     |       |       |      | 1     |
| Total    | 8                            | 8   | 7     | 4     | 1     | 4     | 1    | 33    |

The distribution of the inactive members by age as at the valuation date is summarized as follows:

| Age     | DEFERRED PENSIONERS |                          | PENSIONERS AND SURVIVORS |                          |
|---------|---------------------|--------------------------|--------------------------|--------------------------|
|         | Number              | Average Lifetime Pension | Number                   | Average Lifetime Pension |
| 45 – 49 | 1                   | ***                      |                          |                          |
| 50 – 54 |                     |                          |                          |                          |
| 55 – 59 |                     |                          | 3                        | \$38,189                 |
| 60 – 64 |                     |                          | 12                       | \$32,875                 |
| 65 – 69 |                     |                          | 7                        | \$29,203                 |
| 70 – 74 |                     |                          | 3                        | \$31,446                 |
| 75 – 79 |                     |                          | 5                        | \$28,163                 |
| 80 – 84 |                     |                          | 1                        | ***                      |
| 85 – 89 |                     |                          | 4                        | \$11,907                 |
| 90 – 94 |                     |                          | 2                        | ***                      |
| 95 – 99 |                     |                          |                          |                          |
| 100 +   |                     |                          |                          |                          |
| Total   | 1                   | ***                      | 37                       | \$28,176                 |

\*\*\* For confidentiality reasons, information is not shown for groupings with less than two members.

# APPENDIX F

## SUMMARY OF PLAN PROVISIONS

Mercer has used and relied on the plan documents, including amendments and interpretations of plan provisions, supplied by FortisOntario Inc.. If any plan provisions supplied are not accurate and complete, the results of any calculation may differ significantly from the results that would be obtained with accurate and complete information. Moreover, plan documents may be susceptible to different interpretations, each of which could be reasonable, and the results of estimates under each of the different interpretations could vary.

This valuation is based on the plan provisions in effect on December 31, 2017. Since the previous valuation, the Plan has been amended to change the rate of required employee contributions into the Plan.

### DB COMPONENT

The following is a summary of the main provisions of the Plan in effect on December 31, 2017. This summary is not intended as a complete description of the Plan.

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background</b>                 | The Plan was created as of July 1, 2009 exclusively for members of the Retirement Plan of Great Lakes Power Limited (the "GLPL Plan") who were formerly employed in the distribution business of Great Lakes Power Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Eligibility for Membership</b> | <p>Each member of the GLPL Plan on June 30, 2009 who was formerly employed in the distribution business of Great Lakes Power Limited became a member of the Plan on July 1, 2009.</p> <p>Each full-time employee who is a member of the union becomes member of the Plan following completion of three months of Continuous Service.</p> <p>Each employee, who is a member of the union and is employed on a less than full-time basis, may join the Plan following completion of 24 months of Continuous Service provided that the employee has:</p> <ul style="list-style-type: none"><li>a) earned at least 35% of the YMPE; or</li><li>b) worked 700 or more hours</li></ul> <p>• in each of the two immediately preceding consecutive calendar years.</p> |
| <b>Employee Contributions</b>     | <p>Effective November 28, 2016, for the 2018 Plan Year, members are required to contribute to the Plan at the rate of 6.0% of Gross Earnings up to the YMPE and 8.0% of Gross Earnings in excess of the YMPE. For the 2019 Plan Year and each Plan Year thereafter, members are required to contribute to the Plan at the rate of 6.5% of Gross Earnings up to the YMPE and 8.5% of Gross Earnings in excess of the YMPE.</p> <p>Members may make additional voluntary contributions to the maximum permitted under the Income Tax Act.</p>                                                                                                                                                                                                                    |



**Retirement  
Dates**

**Normal Retirement Date**

- The normal retirement date is the first day of the month coincident with or next following the member's 65th birthday.

**Early Retirement Date**

- If a member has been in the Plan for at least two years, the member may choose to retire as early as age 55.

**Postponed  
Retirement**

An active member may postpone retirement beyond the normal retirement date, but not beyond the end of the calendar year in which they attain age 71. Under these circumstances, members are entitled to continue membership in the Plan and have the right to continue to accrue pension benefits. The pension benefit accrued up to Normal Retirement Date shall be actuarially increased to reflect such postponement.

**Normal  
Retirement  
Pension**

- 2.0% of the member's average annual Gross Earnings for the five consecutive years, during the 10 calendar years preceding Normal Retirement Date that produce the highest such average, times the number of years of Credited Service (subject to a maximum of 40 years);

Less

- 0.7% of such earnings not in excess of the average YMPE for the five calendar years, immediately preceding the calendar year of the Normal Retirement Date, times the number of years of Credited Service since January 1, 1966, (maximum 35 years).

Credited Service is equal to Continuous Service from date of employment with the Company for members who joined the Plan when first eligible prior to January 1, 1991. For other members, Credited Service is equal to Continuous Service from the date of entry.

In no event, however, will the members' benefit exceed the applicable maximum pension limits as prescribed by the Income Tax Act.

**Early  
Retirement  
Pension**

If a member retires early, the member will be entitled to a pension that is calculated the same way as for a normal retirement. The basic pension payable, however, will be reduced by 0.25% for each month prior to age 65. Members who have attained age 55 and for whom the sum of age plus continuous years of service amount to not less than 85, may retire early with an unreduced pension.

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Early Retirement Bridge Pension</b> | <p>If a member retires early, the member will be entitled to bridge pension of 0.7% of the portion of the Member's average annual Gross Earnings not exceeding the average of the YMPE for the five (5) calendar years immediately preceding the calendar year in which the Member's early retirement occurs, multiplied by the Member's years of Credited Service on and after January 1, 1966, to a maximum of thirty-five (35) years of Credited Service; and the aggregate annual pension to which the Member would be entitled under the Canada Pension Plan and the Old Age Security Act, had he attained age 65 at the date the temporary monthly pension commences to be paid, reduced by <math>\frac{1}{4}</math> of 1% for each month by which the date on which the temporary monthly pension commences to be paid to the Member precedes the Member's attainment of age 60; and if the Member has not completed ten (10) years of membership in the Predecessor Plan and the Plan, by 10% for each year by which the Member's years of membership in the Predecessor Plan and the Plan totals less than ten (10) years.</p> |
| <b>Maximum Pension</b>                 | <p><b>Pre-1992 Service Maximum Pension</b></p> <p>The member's pension shall not exceed the member's years of pensionable service, prior to January 1, 1992, to a maximum of 35 years multiplied by the lesser of:</p> <ul style="list-style-type: none"><li>i. \$1,715; and</li><li>ii. 2.0% of the average of the member's best three consecutive years' remuneration</li></ul> <p><b>Post-1991 Service maximum Pension</b></p> <p>The member's pension shall not exceed the member's years of pensionable service, on or after January 1, 1992, multiplied by the lesser of:</p> <ul style="list-style-type: none"><li>i. \$2,944.44 or such greater amount permitted under the Income Tax Act; and</li><li>ii. 2.0% of the member's highest average indexed compensation, as defined in the Income Tax, Act.</li></ul>                                                                                                                                                                                                                                                                                                              |
| <b>Post Retirement Adjustment</b>      | <p>Each member who retires from the Plan, will have their pension adjusted annually. The annual adjustment will be granted in January of each year, based on the increase in the Consumer Price Index (CPI) for the 12 months ending the previous September 30th. If the CPI increase is less than 2.0%, then the annual adjustment is equal to 100% of the CPI increase. Otherwise the annual adjustment is equal to 50% of the CPI increase, with a minimum adjustment of 2.0% and a maximum adjustment of 5.0%.</p> <p>Members who have retired less than 12 months prior to the January adjustment will receive a pro-rata share of the increase based on the number of months since commencement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                              |

**Disability  
Retirement**

A member who suffers total and permanent disability will receive, commencing at his normal retirement date, a pension calculated as for normal retirement, except that:

- a) the service of the member with the Company will include the period during which the member is totally and permanently disabled; and
- b) it will be assumed that the member continued to receive remuneration from the Company at the rate of his earnings at the time of disability.

**Death Benefits**

Pre-retirement:

*For Service Prior to January 1, 1987*

- In the event of death before retirement, the designated beneficiary will receive a lump sum refund of the member's contributions, if any, with interest.

*For service On and After January 1, 1987*

- In the event of death before retirement, the designated beneficiary will receive the commuted value of the deferred pension plus a refund of excess contributions, if any. Excess contributions are employee contributions, if any, plus interest, in excess of those required to fund 50% of the commuted value of the deferred pension.

Post retirement:

- Upon death of the member after retirement, the member's spouse, if then surviving, will receive an annuity for life equal to 50% of the pension that the member had been receiving. Under the Pension Benefits Act (Ontario), married members must receive a joint and survivor pension that pays at least 60% of the amount of pension that member had been receiving, unless both the member and spouse waive this option. The amount of pension would be actuarially equivalent to the normal form of pension. In the case of a member without a spouse at retirement, the normal form of pension guarantees a minimum return equal to the member's contributions with interest to date retirement. The member may also elect an optional form of pension prior to retirement.

**Termination  
Benefits**

If the member terminates employment by reason other than death or retirement, he shall be entitled to a deferred pension, payable from his normal retirement date, equal to his accrued vested pension at his date of termination. In addition, a member is also entitled to a refund of excess contributions, if any.

Notwithstanding the above, a member who is required to or who elects a deferred pension may, in lieu of this deferred pension, elect to:

- i. transfer the commuted value of the deferred pension to another registered pension plan, if the other pension plan permits;
- ii. transfer the commuted value to a Locked-In Retirement Account; or
- iii. apply the commuted value to purchase an immediate or deferred annuity.

# APPENDIX G

## EMPLOYER CERTIFICATION

With respect to the Report on the Actuarial Valuation for Funding Purposes as at December 31, 2017 of the Retirement Fund of Algoma Power Inc., I hereby certify that, to the best of my knowledge and belief:

- The valuation reflects the terms of FortisOntario Inc.'s engagement with the actuary described in Section 2 of this report, particularly the requirement to not include a margin for adverse deviations in the going concern valuation.
- A copy of the official plan documents and of all amendments made up to December 31, 2017 was provided to the actuary and is reflected appropriately in the summary of plan provisions contained herein.
- The asset information summarized in Appendix B is reflective of the Plan's assets.
- The membership data provided to the actuary included a complete and accurate description of every person who is entitled to benefits under the terms of the Plan for service up to December 31, 2017.
- All events subsequent to December 31, 2017 that may have an impact on the Plan have been communicated to the actuary.

2/13/18  
\_\_\_\_\_  
Date

Signed  
\_\_\_\_\_  
Glen Krul  
\_\_\_\_\_  
Name

**MERCER (CANADA) LIMITED**

120 Bremner Blvd

Suite 800

Toronto, Ontario M5J 0A8

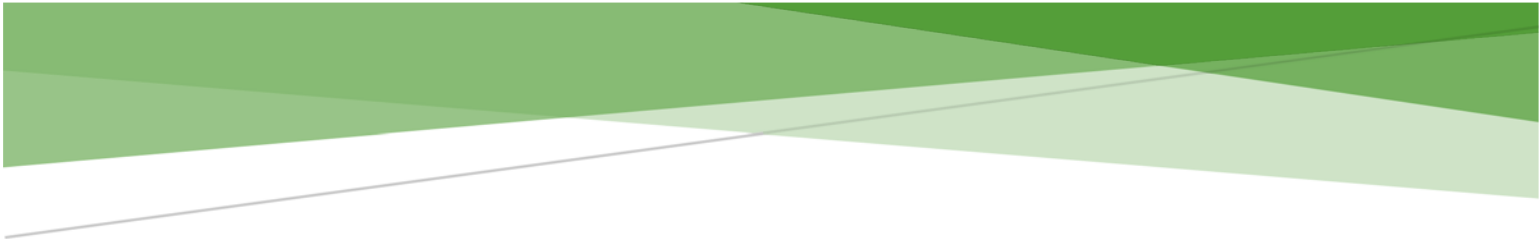
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Mercer (Canada) Limited



MARSH & McLENNAN  
COMPANIES



# Appendix 4C

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019

**SERVICES AGREEMENT**

**BETWEEN**

**Canadian Niagara Power Inc.,  
Cornwall Street Railway, Light and Power Company Limited,**

**Algoma Power Inc., and  
FortisOntario Inc.**

**MADE AS OF**

**September 15, 2015**

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#### **SCHEDULE “A”**



## **SERVICES AGREEMENT**

THIS AGREEMENT is made as of September 15, 2015.

BETWEEN:

**Canadian Niagara Power Inc.**, a corporation incorporated under the laws of the Province of Ontario; ("CNPI"),

**Cornwall Street Railway, Light and Power Company Limited** a corporation incorporated under the laws of the Province of Ontario ("Cornwall"),

**Algoma Power Inc.**, a corporation incorporated under the laws of the Province of Ontario ("Algoma"), and

**FortisOntario Inc.** a corporation incorporated under the laws of the Province of Ontario ("FortisOntario" and together with CNPI, Cornwall, Algoma, and FPC, the "Fortis Entities" and each a "Fortis Entity").

THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

### **ARTICLE 1 – GENERAL**

#### **1.01 Services**

"Services" means:

- a) building maintenance including security, janitorial services, snow plowing, lawn care, major and minor repairs;
- b) purchasing including procurements, order tracking, delivery of operating and capital items, payment processing and vendor management;
- c) stores management including maintaining stock levels, issuing and receiving, maintenance of SAP inventory management system and disposition of excess assets;
- d) customer service and customer care services, including meter reading, (including verification, testing, approval, installation and removal systems) billing and collection services and related SAP systems;
- e) health and safety monitoring including the development of policies and procedures, training (awareness and procedures), site inspections and field audits;
- f) environmental compliance monitoring including the development of policies and procedures, training (awareness and procedures), regulatory reporting, government liaison and site inspections;

- g) human resources administration including development of policies and procedures, union relations and negotiations, personnel file management, wholesale settlement services and management of employee benefit plans;
- h) regulatory reporting and compliance services;
- i) bookkeeping including the provision of statutory financial and regulatory reporting, management reporting and financial systems administration;
- j) payroll including the maintenance of payroll records and payroll system, calculation of pay and payroll deductions, and facilitation of payroll payments;
- k) financial management including cash administration, investments and debt management, treasury services, internal audit services, and development of financial and account policies and procedures;
- l) executive, legal and secretarial services;
- m) tax administration, filing and payment, including compliance, regulatory reporting and filing, planning, audit reviews, transfer of tax liabilities and the payments, filing of tax reports, and exposure management;
- n) information technology including the provision and management of systems, system and hardware support services, major and minor repairs, development and policies and procedures, and monitoring of information technology developments;
- o) monitoring the status of generating facilities using supervisory control and data acquisition (SCADA) technology;
- p) such other services as may from time to time be agreed upon between the parties.

## **1.02 Capacities of Parties**

Pursuant to the terms of this Agreement, each of the Fortis Entities shall both provide Services to the other Fortis Entities, as requested, and receive Services that they have requested from one or more of the other Fortis Entities. A Fortis Entity in the capacity as a provider of Services is referred to as a "Service Provider". A Fortis Entity in the capacity as a receiver of Services is referred to as a "Service Recipient". When reference is made to the provision of Services by "the Service Providers" or "each Service Provider" to "each Service Recipient" or "the Service Recipients", it shall be interpreted to exclude any provision of Services by any Fortis Entity to itself.

## **1.03 Services**

Subject to the terms and conditions hereof, each Service Recipient will, from time to time, request that one or more of the Service Providers carry out one or more of the Services and each Service Provider will render the Services requested by the Service Recipient as requested.

#### **1.04 Term of Agreement**

The provision of Services by the Service Providers to the Service Recipients hereunder shall commence on September 15, 2015 and shall continue until September 15, 2020 or earlier if terminated by the parties hereto as set forth in Article 5 hereof.

### **ARTICLE 2 – REMUNERATION OF SERVICE PROVIDERS**

#### **2.01 Fee for Services and Cost Mechanism**

In respect of fee for services, the Service Recipients shall each pay their respective Service Providers for the Services provided under the Agreement a fee reflecting cost plus a reasonable rate of return and shall be reviewed at the option of either the respective Service Recipient or Service Provider. For the purpose of this Agreement, reasonable rate of return shall mean a return on invested capital that is the higher of the utility's approved rate of return or the bank prime rate.

Where a utility provides a Service, resource or product to a generating affiliate, the utility shall ensure that the sale price is no less than the utility's fully loaded cost of the Service, resource or product. Where a utility receives Services from a generating affiliate, the utility shall ensure that the sale price for such Services is no more than the generator's fully loaded cost of the Service.

For greater certainty (i) each Service Recipient shall only be liable to pay for Services provided to it, and shall not be liable to pay for any Services provided to any other Service Recipient; and (ii) each Service Provider shall only be liable for its own acts or omissions and shall not be liable for the acts or omissions of any other Service Provider.

#### **2.02 Expenses**

The Service Provider shall be responsible for all day to day expenses incurred in connection with the Services provided pursuant to Section 1.03. However, each Service Recipient shall reimburse its respective Service Provider for all extraordinary expenses actually and properly incurred by the Service Provider in the performance of the Services to such Service Recipient hereunder provided that such expenses shall be paid in accordance with the normal practices of the Service Recipient in force from time to time.

#### **2.03 Invoices**

Payment shall be made to the Service Provider with respect to the fees and expenses referred to in Sections 2.01 and 2.02 within 10 days from receipt by the Service Recipient of proper invoices and vouchers, all of which shall be submitted by the respective Service Provider to the appropriate Service Recipient by the last day of the following month during the term of this Agreement. The Service Provider shall also provide a report to each Service Recipient to which it has provided Services, annually of all expenses incurred in connection with the provision of Services pursuant to Section 1.03 hereof.

#### **2.04 Cost Allocation Methodology**

In respect of shared costs, costs shall be allocated based upon an appropriate cost allocation methodology to be determined by the respective Service Provider and Service Recipient. The cost allocation methodology shall be reviewed by the respective Service

Provider and Service Recipient at the option of either party, or at least every five years. The allocation factors that comprise the methodology shall be reviewed and updated by the parties annually.

### **ARTICLE 3 – COVENANTS OF SERVICE PROVIDERS**

#### **3.01 Services**

Each Service Provider shall render performance of the Services hereunder to the best of the Service Provider's ability and in a competent and professional manner.

#### **3.02 Time of Services**

Each Service Provider shall devote such of its time and attention to the business of its respective Service Recipients as may be agreed to by the Service Provider and its respective Service Recipient. The time of Services to be provided hereunder by the Service Providers shall be as agreed to from time to time by negotiations between each Service Recipient and its respective Service Provider. Subject to the obligations of the Service Providers hereunder, the Service Providers shall be free to offer such services to any other person.

#### **3.03 Licences and Permits**

The Service Provider shall be responsible for obtaining all necessary licences and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with its provision of the Services hereunder and the Service Provider shall, when requested, provide their respective Service Recipients with adequate evidence of its compliance with this Section 3.03.

#### **3.04 Rules and Regulations**

Each Service Provider shall (subject to applicable exemptions) comply, while on the premises used by the Service Recipients, with all the rules and regulations of the Service Recipients from time to time in force which are brought to its notice or of which it could reasonably be aware, and the applicable provision of the *Electricity Act, 1998* (Ontario) and the regulations thereunder, the *Ontario Energy Board Act, 1998* (Ontario) and the regulations thereunder, applicable licences from the Ontario Energy Board, IESO market rules, the Affiliate Relationships Code, the Distribution System Code, the Transmission System Code, the Retail Settlement Code, and the Standard Service Supply Code and such other applicable codes, rules and regulations, which from time to time shall come into force.

#### **3.05 Regulatory Compliance**

Each Service Provider shall ensure that any order or measure made or taken by the Ontario Energy Board:

- (i) that is brought to its attention or of which it becomes aware;
- (ii) that is directed at or affects its respective Service Recipients; and
- (iii) that, in order to be implemented or complied with, is dependent in whole or in part upon any Service or task that the Service Provider is obligated to perform hereunder;

shall be fully implemented or complied with to the extent of obligations hereunder. In connection with this section, each Service Recipient agrees that it will promptly notify its respective Service Providers of any order or measure of the Ontario Energy Board directed at or affecting such Service Recipient.

Nothing in this Agreement will prevent the Service Recipient(s) from taking any steps, including without limitation using the Service Recipient(s) own resources or those of a third party, that are necessary to implement or comply with the applicable Ontario Energy Board licence, or any other applicable provisions of the applicable legislation, regulations and market rules, or any order or measure made or taken by the Ontario Energy Board.

### **3.06 Insurance**

Each Service Provider shall pay for and maintain for the benefit of the Service Provider and its respective Service Recipients, with insurers or through the appropriate government department and in an amount and in a form acceptable to the Service Recipients, appropriate insurance concerning the operations and liabilities of the Service Provider relevant to this Agreement including, without limiting the generality of the foregoing, workers' compensation and employment insurance in conformity with applicable statutory requirements in respect of any remuneration payable by the Service Provider to any employees of the Service Provider and public liability and property damage insurance.

### **3.07 Indemnity**

The Service Provider shall indemnify and save its respective Service Recipients harmless from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Service Recipients or its officers, employees or agents may suffer as a result of the negligence of the Service Provider in the performance or non-performance of this Agreement.

### **3.08 Non-disclosure and Confidentiality**

The Service Provider shall not (either during the term of this Agreement or at any time thereafter) disclose any information relating to the private or confidential affairs of any Service Recipient or relating to any secrets of any Service Recipient to any person other than with the consent of such Service Recipient. In the case of information supplied by a distribution facility to a generation facility, the information will be used solely for the purposes of efficiently operating the generation facility and shall not be shared with any other affiliate or any other party to which it may offer a competitive advantage.

### **3.09 Access to Confidential Information**

All confidential information must be protected. Access to a utility's information services shall include appropriate computer data management and data access protocols. In the event that a utility shares employees with a generating affiliate, such employees shall be bound to maintain the confidentiality of information provided for herein, except as otherwise required by applicable law.

### **3.10 Monitoring Services**

Each Service Provider shall provide to its respective Service Recipients all information that such Service Recipients require so that the Service Recipients can

monitor the provision of its applicable licensed Services provided by the Service Provider. Each Service Provider will also provide information as requested by its respective Service Recipients which is required for such Service Recipients fulfillment of its applicable Ontario Energy Board licence.

#### **ARTICLE 4 – TERMINATION**

##### **4.01 Termination by Service Recipients or Service Providers for Cause**

Any Fortis Entity may terminate its relationship to provided or receive Services from any other Fortis Entity (the “Non-Compliant Entity”) in the event of the failure of the Non-Compliant Entity to comply with any of the provisions hereunder upon such Non-Compliant Entity being notified in writing by the Fortis Entity alleging such failure and failing to remedy such failure within 30 days of receiving such notice.

##### **4.02 Termination by Service Recipients or Service Providers on Notice**

Any Fortis Entity may terminate any agreement to receive Services from, or provide Services to, any other Fortis Entity upon the giving of 60 days written notice to the other party. Notwithstanding the foregoing, any Service Recipient may terminate its obligations to receive Services from any Service Provider immediately upon paying to the Service Provider 60 days’ fee for Services in lieu of such notice. Any termination effective between two Fortis Entities shall not effect any other obligation of such Fortis Entities to each other or to any other Fortis Entity.

##### **4.03 Provisions which Operate Following Termination**

Notwithstanding any termination of this Agreement for any reason whatsoever and with or without cause, the provisions of Sections 3.06, 3.07 and 3.08 and any other provisions of this Agreement necessary to give efficacy thereto shall continue in full force and effect following any such termination. Any termination effective between two Fortis Entities shall not effect any other obligation of such Fortis Entities to each other or to any other Fortis Entity.

##### **4.04 Change of Control**

To the extent that a Fortis Entity sells all or substantially all of its assets or there is a change of control of any Fortis Entity, either by way of change of the ownership structure of any of the Fortis Entities or otherwise, all obligations of any Fortis Entity to provide Services to, or receive Service from such changed Fortis Entity, pursuant to the terms of this Agreement, shall cease effective the date of such change of control. For greater certainty the immediately preceding sentence shall not effect Section 4.03.

#### **ARTICLE 5 – ARBITRATION**

##### **5.01 Arbitration of Disputes**

Any disputes arising between the parties relating to the interpretation of any provision of this Agreement or other matters which under the provisions of this Agreement are to be referred to arbitration shall be settled by arbitration in accordance with the provisions of Section 5.02.



## **5.02 Appointment of Arbitrator and Arbitration Procedures**

- a) In the event of disagreement, litigation or dispute with respect to the interpretation, application or execution of one or the other of the provisions of this Agreement the parties hereto renounce their right to institute legal proceedings and undertake to submit such disagreement, litigation or dispute to the final decision pursuant to Arbitration in accordance with Schedule "A" hereto.
- b) The fees and disbursements of the arbitrator shall be shared equally by the Fortis Entities that are engaged in such dispute.
- c) The arbitration provided for in this Agreement is subject to the provisions of the *Arbitration Act* (Ontario), to the extent that such provisions are not incompatible herewith.

## **ARTICLE 6 – INTERPRETATION AND ENFORCEMENT**

### **6.01 Sections and Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

### **6.02 Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and *vice versa*.

### **6.03 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon successors and assigns of the Fortis Entities.

### **6.04 Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, forms, conditions, undertakings or collateral agreements, express implied or statutory between the parties other than as expressly set forth in this Agreement.

### **6.05 Amendments and Waivers**

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and

signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

#### **6.06 Assignment**

Except as may be expressly provided in this Agreement, no Fortis Entity may assign his or its rights or obligations under this Agreement without the prior written consent of each other Fortis Entity.

#### **6.07 Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

#### **6.08 Notices**

Any demand, notice or other communication to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by personal delivery or by registered mail addressed to the recipient as follows:

To CNPI:

**Canadian Niagara Power Inc.**  
**1130 Bertie Street**  
**P.O. Box 1218**  
**Fort Erie, Ontario L2A 5Y2**  
**Attention: R. Scott Hawkes**  
**Fax: (905) 994-2211**

To Cornwall Electric:

**Cornwall Street Railway, Light and Power Company Limited**  
**1130 Bertie Street**  
**P.O. Box 1218**  
**Fort Erie, Ontario L2A 5Y2**  
**Attention: R. Scott Hawkes**  
**Fax: (905) 994-2211**

To Algoma:

**Algoma Power Inc.**  
**1130 Bertie Street**  
**P.O. Box 1218**  
**Fort Erie, Ontario L2A 5Y2**  
**Attention: R. Scott Hawkes**  
**Fax: (905) 994-2211**



To FortisOntario:

**FortisOntario Inc.**  
**1130 Bertie Street**  
**P.O. Box 1218**  
**Fort Erie, Ontario L2A 5Y2**  
**Attention: William J. Daley**  
**Fax: (905) 994-2202**

or such other address or individual as may be designated by notice by either party to the other. Any demand, notice or other communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by registered mail, on the 5<sup>th</sup> day, other than a Saturday, Sunday or statutory holiday in the province of the recipient Fortis Entity, following the deposit thereof in the mail. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of the mail, any such demand, notice or other communication shall not be mailed but shall be made or given by personal delivery.

**6.09 Further Assurances**

Each party must from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

**6.10 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the laws of Canada applicable therein.

**6.11 Attornment**

For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Ontario and, subject to Article 5 of this Agreement, the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

**Canadian Niagara Power Inc.**

Per:  \_\_\_\_\_

Name: R. Scott Hawkes

Title: Vice President, Corporate Services and  
General Counsel

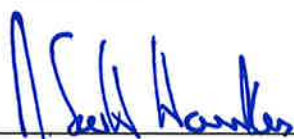
**Cornwall Street Railway, Light and Power  
Company Limited**

Per: \_\_\_\_\_

Name: R. Scott Hawkes

Title: Vice President, Corporate Services and  
General Counsel

**Algoma Power Inc.**

Per: \_\_\_\_\_

Name: R. Scott Hawkes

Title: Vice President, Corporate Services and  
General Counsel

**FortisOntario Inc.**

Per: \_\_\_\_\_

Name: William J. Daley

Title: President and Chief Executive Officer

## SCHEDULE "A"

### ARBITRATION

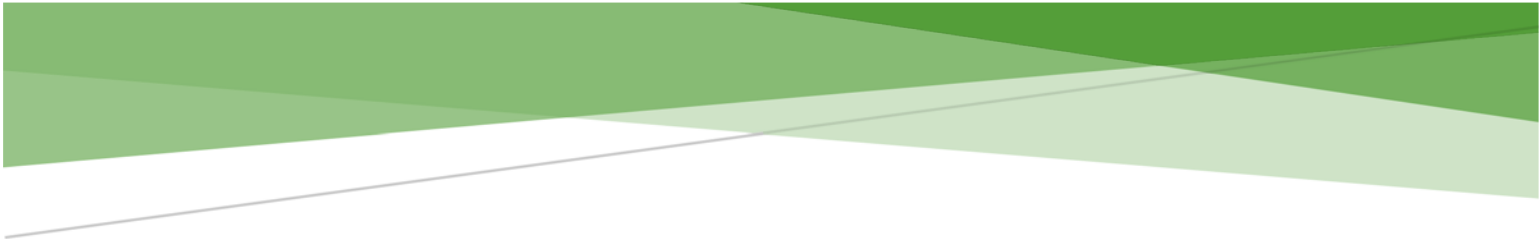
Any dispute between the parties hereto, or any matter to be submitted to arbitration hereunder, whether arising during the period of this Agreement or at any time thereafter which touches upon the validity, construction, meaning, performance or effect of this Agreement or the rights and liabilities of the parties hereto or any matter arising out of or connected with this Agreement shall be subject to arbitration pursuant to the *Arbitration Act* (Ontario) and as provided in this Schedule A and the decision shall be final and binding as between the parties hereto and shall not be subject to appeal.

Any arbitration to be carried out under this Schedule A shall be subject to the following provisions, namely:

The party desiring arbitration shall nominate one (1) arbitrator and shall notify the other party hereto of such nomination. Such notice shall set forth a brief description of the matter submitted for arbitration and, if appropriate, the paragraph hereof pursuant to which such matter is so submitted. Such other party shall within thirty (30) days after receiving such notice nominate an arbitrator and the two (2) arbitrators shall select a chairman of the arbitral tribunal to act jointly with them. If the said arbitrators shall be unable to agree in the selection of such chairman, the chairman shall be designated by a Judge of the Superior Court of Justice or any successor thereto upon an application. The arbitration shall take place in the Town of Fort Erie, Regional Municipality of Niagara, and the chairman shall fix the time and place in the Town of Fort Erie for the purpose of hearing such evidence and representations as either of the parties may present and, subject to provisions hereto, the decision of the arbitrators and chairman or any of two (2) of them in writing shall be binding upon the parties both in respect of procedure and the conduct of the parties during the proceedings and the final determination of the issues herein. Said arbitrators and chairman shall, after hearing any evidence and representations that the parties may submit, make their decision and reduce the same to writing and deliver one (1) copy thereof to each of the parties hereto. The majority of the chairman and arbitrators may determine any matters of procedure for the arbitration not specified herein.

If the party hereto receiving the notice of the nomination of an arbitrator by the party desiring arbitration fails within the thirty (30) days to nominate an arbitrator, then the arbitrator nominated by the party desiring arbitration may proceed alone to determine the dispute in such manner and at such time as he shall think fit and his decision shall, subject to the provisions hereof, be binding upon the parties.

Notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the parties hereto so agree, in which event the provisions of this paragraph shall apply, *mutatis mutandis*.



# Appendix 4D

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019

# **Purchasing Policies & Procedures**

MM100  
FORTISONTARIO

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## **PROCEDURE**

### **1. Requisitions (REQ)**

#### **1.1 What is a Requisition?**

Requisitions are a list of required materials or services needed by a department to complete their duties, tasks, assignments or projects.

#### **1.2 Purchase Orders without Requisitions**

Under no circumstances will a Purchase Order be created without an approved requisition.

#### **1.3 Access of SAP Requisitioning System**

The requisitioning system will be accessed through the company's SAP system.

#### **1.4 Requisition Approval Process in SAP**

If the total value of the requisition is >\$10,000, the approver will be his Supervisor.

If the total value of the requisition is between \$10,000 and \$30,000, the approver will be his Manager. For Algoma Power Inc., this will be the Regional Manager. FTSO Supervisor Procurement and Facilities will also have rights to approve requisitions up to \$30,000 for approved items.

If the total value of the requisition is over \$30,000, the approver will be the Vice-President of Operations in most cases.

#### **1.5 Required Material and Service Requisition Information**

The following is a check list of the required information needed by the Procurement Department to properly source and process Material or Service requisitions:

- Full Description (Material Number or Short Text)
- Quantity
- Unit Measurement
- Account Assignment GL and Cost Centre or Order number
- Delivery Date
- Net Price

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- Vendor
- Purchasing Group Code – ex – FLS (FE Line Services)

### **1.6 Requisition Flow**

Once the requisition has been created and saved in SAP, the requester shall notify the next level of approval by way of e-mail.

- 1) < \$10,000– Approver - Supervisor cc: Buyer for that plant
- 2) > \$10,000 and < \$30,000 – Approver Manager cc: Supervisor cc: Buyer for that plant.
- 3) > \$30,000 – Approver – VP cc: Manager cc: Supervisor cc: Buyer for that plant. VP1A and affiliated documents to be completed and forwarded. See Section 6.3.5 below.

### **1.7 Purchasing Requisition Approver**

The approver verifies the validity of the request and ensures cost center, internal order, GL account, etc. for correctness. He/she selects the line items to approve and releases the requisition for processing to the Procurement Department. The approver replies to the requester that the requisition is now approved cc buyer.

## **2. Request for Quotations (RFQ)**

### **2.1 When RFQ's are Required**

Request for Quotations are required for any purchases where the anticipated amount will be over \$10,000, the scope and specifications are clearly identified and stated, and it does not meet the sole sourcing criteria.

### **2.2 How many quotations are Required?**

It is desirable to have a minimum of three quotations, but no less than two.

### **2.3 Record of Quotations**

All quotations will be filed in the Purchasing Department along with supporting documentation.

**2.4 Analyzing Quotations**

Quotations shall be analyzed by Materials Management and the requesting department. The lowest price quote shall be selected unless there are extenuating circumstances upon which this should not occur. e.g. –delivery date, quality factor, warranties, etc.

**3. Request for Information (RFI)**

**3.1 What is a Request for Information (RFI)**

Unlike a Request for Quotation (RFQ) or Request for Proposal (RFP), the Request for Information (RFI) does not bind the vendor to any information price given. The request is for informational purposes only.

**3.2 When to use a RFI**

A Request for Information could be used during the budgetary process or during job planning where estimated cost figures are required only. It should be clearly stated to the vendor that this is a Request for Information Only and any pricing supplied will not be binding or commit the company to this purchase or this vendor.

**4. Request for Proposal (RFP)**

**4.1 When RFP's are Required**

A Request for Proposal is required for any purchases where the anticipated amount will be over \$10,000, you wish the vendor to supply the scope and specifications, and it does not meet the sole sourcing criteria.

**4.2 How many Proposals are Required?**

It is desirable to have a minimum of three proposals, but no less than two.

**4.3 Record of Proposals**

All proposals must be entered into the SAP system by the Materials Management personnel. Once entered, the vendor proposals will be filed in the Purchasing Department Open File along with the Requisition.

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### **4.4 Analyzing Proposals**

Proposals shall be analyzed by the Materials Management and the requesting department. The lowest price proposal shall be selected unless there is extenuating circumstances upon which this should not occur.

e.g. delivery date, quality factor, warranties, etc.

## **5. Sole Sourcing**

Sole sourcing is where only one vendor is chosen to supply a quotation for goods or services. Sole sourcing should only be used where obtaining three quotations is not viable or reasonable. Therefore sole sourcing shall be looked upon as a “method of exception” rather than the “normal method” of procurement.

### **5.1 Limitations under \$10,000**

Sole Source Purchasing may be used for purchases where the anticipated price will be under \$10,000. The quote from the sole source vendor maybe written or verbal.

Any approved method of procurement may be used for Sole Sourcing Purchasing.

### **5.2 Limitations over \$10,000**

The following is the criteria to be used when justifying a single source for procurement purposes:

- a) The estimated amount of the requested materials, equipment or services total less than \$10,000. This amount shall be considered a limit on an annual basis where the Requesting Department or Purchasing Department can reasonably approximate needs on an annual basis.
- b) Only one source of supply has been identified for the requesting materials, equipment or services, and attempts to either identify additional sources or to modify the request to allow for alternate sources has not been successful.

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- c) The requested materials or equipment must be purchased from the original equipment manufacturer, in order to match or replace existing equipment.
- d) The requested material, equipment, or services provide unique qualifications or technology.
- e) The requested material and equipment has been approved as sole source by the Engineering Standards Group.
- f) There is an urgent delivery requirement for the requested materials or service, and there is not sufficient time to solicit competitive bids.
- g) Price quotations for the requested goods or services which definitely indicate a low cost provider are on file. Such quotations must be less than one year old, and in the professional judgment of the Buyer, reflect the current market for the requested materials.

## **6. Purchase Orders**

### **6.1 Purchase Orders**

The Purchase order is the most common method of procurement used in the company and can be used to procure both materials and services. The Purchase Order, in its entirety, is a binding contract between two parties.

When the company issues a Purchase Order to a vendor, the company is agreeing to purchase materials or services for the stipulated quantity, price, delivery, and any other terms specified in the document.

The company also agrees to pay to the vendor, in a time agreed to by both parties, the full amount owed to the vendor for delivery of the materials or services.

The vendor, in acknowledging the purchase order, also agrees to the quantity, price, delivery and all other terms within the document. The vendor has an obligation to the company to meet all these conditions. Failure to meet any or all conditions could result in the contract (the Purchase Order) to be terminated.

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### **6.1.1 Who can create Purchase Orders?**

The only employees in FortisOntario who can create Purchase Orders are the Supervisor, Procurement & Property/Facilities and the Buyer who belong to the Materials Management Department. All other employees shall be blocked within SAP from producing Purchase Orders.

### **6.1.2 Limitations of Storekeepers**

Storekeepers within FortisOntario can only create Purchase Requisitions for Inventory materials.

## **6.2 Types of Purchase Orders**

### **6.2.1 Standard Purchase Order for Material or Service**

Standard Purchase Orders for material or Service are the most common of all Purchase Orders. Creating a Standard Purchase Order within the SAP system heavily supports the “three-way match”. A “three-way match” occurs when all three documents, the Purchase Order, the Receiving, and the Invoice concur with one another. If at least one document does not agree with any of the other two, the invoice will be blocked for payment.

It is essential, if possible, to indicate on the Purchase Order that all materials be delivered to the Stores Department in Fort Erie, Sault Ste. Marie or Cornwall so that proper receiving procedures can be done. If materials are delivered to a different site, all packing slips must immediately be forwarded on to the respective Stores Department for processing.

### **6.2.2 Contracts**

Formal contracts, with a minimum value of \$50,000.00 can be made for materials only, external labour & materials, or external labour only.

All contracts must be processed through the Procurement Department.

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All multi-year contracts must be approved by the Vice President and President during the requisitioning stage regardless of any one singular annual amount i.e. VP1A approval

**6.2.3 Blanket Purchase Orders**

Blanket Orders are created for frequently used, minimal cost, materials and services with vendors who do not accept the company's procurement card.

Blanket Orders should never be used to purchase assets.

Blanket Orders are created with valid "from" and "to" dates. Each Blanket Order is created with a maximum expected value within the valid time period. Blanket Orders exceeding the maximum expected value before the time period expires, shall be re-assessed for future competitive bidding avenues.



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### **6.3 Purchasing Authorization**

#### **6.3.1 Purchasing Groups**

All departments within FortisOntario shall be identified by means of a Purchasing Group designation.

|     |                    |     |                    |
|-----|--------------------|-----|--------------------|
| ACS | Customer Svs API   | CMS | CE Metering Servic |
| AEL | Electrical API     | COR | Corporate          |
| AEN | Eng/Planning API   | CPE | CE Planning & Engi |
| AFF | Fleet & Facility   | CPP | CE Prop & Proc     |
| AFN | Finance API        | CRM | CE Regional Mgmt   |
| AFS | Forestry Svs API   | ECS | EOP Customer Servi |
| AHE | HSE API            | ELS | EOP Line Services  |
| AHR | HR API             | FCR | FE Control Room    |
| AIT | IT API             | FCS | Fort Erie Customer |
| ALD | Desbarats Line Svs | FES | FE Electrical Serv |
| ALS | Sault Line Svs     | FHR | Fort Erie Human Re |
| ALW | Wawa Line Svs      | FIN | FE Finance         |
| AMS | Metering Svs API   | FIT | IT Fort Erie       |
| APP | Purchasing API     | FLS | FE Line Services   |
| ARM | Regional Mgmnt API | FMS | FE Metering Servic |
| CCS | CE Customer Servic | FPE | FE Planning & Engi |
| CDV | Corp Development   | FPP | FE Prop & Proc     |
| CLS | CE Line Services   | REG | Regulatory Affairs |

Alterations or changes to Purchasing Groups within SAP shall not be made unless authorized in writing at the executive level.

#### **6.3.2 Purchasing Authorization Limits**

All Purchasing Groups shall have the same Purchasing Authorization limits.

Supervisors will approve all direct report employee requisitions and their own, up to \$10,000

Managers – up to \$30,000

VP's – over \$30,000

Alterations or changes to Purchasing Authorization Limits within SAP shall not be made unless authorized in writing by the Vice President and President.

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**6.3.3 Purchase Order Creation (see 1.7 under Requisition)**

The buyer lists the approved requisitions for his plant and uses the copy function in SAP to create the purchase order. The buyer will also verify that the vendor, GL account, cost center, internal order etc. are appropriate.

**6.3.4 Purchase Order Approver (Finance)**

The final purchase order approval will be in the Finance Department, where a Finance employee will verify the validity of the cost center, internal order, GL account etc, select line items to approve and save. Only then, will the hard copy of the purchase order be printed to the Buyer for processing to the vendor.

**6.3.5 Executive Purchasing Authorization-Form VP1A**

All Purchase Requisitions created with a value over \$30,000 require Executive Purchasing Authorization.

Purchase Requisitions created within the Operations Division, greater than \$30,000 but less than \$150,000 shall be authorized in writing and released by the VP of Operations before the final release of the Purchase Department.

Purchase Requisitions created outside the Operations Division, greater than \$30,000 but less than \$150,000 shall be authorized and released by the VP of Operations only after being authorized writing by the responsible VP through the means of a completed Form VP1A .The Purchasing Department will not release the Purchase Order until the VP of Operations has completed his release procedure, and, they are in receipt of the completed Form VP1A .

Purchase Requisitions created for any area, greater than \$150,000 but less than \$250,000 shall be authorized and released by the VP of Operations only after being authorized in writing by the responsible area VP and one additional VP through the means of a completed Form VP1A .The Purchasing Department will not release the Purchase Order

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until the VP of Operations has completed his release procedure, and, they are in receipt of the completed Form VP1A.

Purchase Orders created for any area, greater than \$250,000 shall be authorized and released by the VP of Operations only after being authorized in writing by the responsible area VP and the CEO through the means of a completed Form VP1A .The Purchasing Department will not release the Purchase Order until the VP of Operations has completed his release procedure, and, they are in receipt of the completed Form VP1A .

The completed VP1A shall be filed along with the Requisition and Quotes in the Purchasing Department.

**6.4 Distribution of Purchase Order**

**6.4.1 File Copy**

Upon release and printing of the Purchase Order, Materials Management shall distribute a copy of the Purchase Order to the Purchasing Department which will be attached to the Requisition, Quotes and VP1A (if req'd).

**6.4.2 Supplier Signed Original**

Upon release and printing of the Purchase Order, Materials Management shall sign the original Purchase Order.

The signed original Purchase Order shall be emailed and/or faxed to the Supplier.

## **7. Receiving of Goods and Services**

### **7.1 Receiving of Goods**

#### **7.1.1 Receiving of Goods by Stores**

The preferred method of receiving goods ordered for the company is through the Regional Stores Department.

The Storekeeping shall inspect the shipment prior to unloading to assure that the shipment was not damaged during transit.

The storekeeper should then match the "Bill of Lading" or "Packing Slip" with what is being unloaded.

The Storekeeping shall, as soon as possible, create a goods receipt document in SAP against the Purchase Order.

#### **7.1.2 Receiving of Goods by Others**

At times goods are received by others in another site or location other than the Stores Department.

The same receiving procedure as for the storekeeper shall also hold true for other receiving goods.

The Receiver shall inspect the shipment prior to unloading to assure that the shipment was not damaged during transit.

The Receiver should then match the "Bill of Lading" or "Packing Slip" with what is being unloaded.

The Receiver shall sign the "Bill of Lading" or "Packing Slip" and forward it on to the Stores Department.

The Storekeeper shall, a.s.a.p. create goods receipts document in SAP against the Purchase Order

#### **7.1.3 Receiving of Damaged Goods**

Whenever possible, the Storekeeper or the Receiver should not receive or take possession of damaged goods.

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The Storekeeper or Receiver shall indicate on the “Bill of Lading” why the goods were being rejected, sign it and keep a copy of it in the Stores Department.

If possible, a digital photograph of the damaged goods should be taken for future reference.

**7.1.4 Bill of Lading or Packing Slips**

All Bill of Ladings or Packing Slips shall be filed in the Purchasing Department along with the requisition, Quotes, VP1A (if req'd), and Purchase Order.

**7.2 Receiving of Services**

**7.2.1 Receiving of Goods by Project Coordinator**

The preferred method of receiving goods ordered for the company is by the Project Coordinator responsible for the contractor providing the services.

The Project Coordinator shall inspect and assure that the services provided by the contractor satisfy both the term and conditions of the contract, and quality of service provided.

The Project Coordinator should then match the Service Statement provided by the contractor with his own field records.

The Project Coordinator shall notify the Stores Department in writing that it is appropriate to receive said services against the exiting Purchase Order in SAP for processing.

**7.2.2 Non-Receipt of Services or Sub-Standard Work**

It is the responsibility of the Project Coordinator to ensure that the Services received match the Service Statement provided by the contractor. If there is a discrepancy, then it is the responsibility of the Project Coordinator to rectify it with the contractor.

The Project Coordinator is also responsible to ensure that the contractor remedies all sub-standard work provided.

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**7.2.3 Service Statements**

All Service Statements shall be filed in the Operations Department's File for review if necessary.

**8. Procurement Cards**

**8.1 Procurement Cards**

**8.1.1 Contacts**

Financial Analyst  
Manager of Financial Reporting  
Manager of Customer Service  
Manager of T&D  
Manager of Engineering  
Supervisor Procurement and Facilities  
Manager of Cornwall Region  
Regional Manager of Algoma Power

Scotia Bank Card Administration:

Scotia Bank VISA Purchasing Card Program  
Scotia Plaza  
40 King St.  
Toronto, ON M5H 1H1

Scotia Bank Customer Service:

1-888-823-9657  
(8:00 a.m. - 8:00 p.m., Mon. to Fri.)

**8.1.2 Purpose**

The purpose of the Scotia Bank Visa Purchasing Card is to establish a more efficient, cost-effective method for purchasing and processing small dollar transactions.

The program is NOT intended to avoid or bypass appropriate purchasing or pay procedures. Rather, the program complements the existing processes. The card can be used

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for in-store purchases as well as telephone, mail, or fax orders.

The Scotia Bank Visa Purchasing Card should be used whenever possible within the prescribed limits set for each cardholder.

**8.1.3 Duties & Responsibilities**

**Plan Administrator Duties & Responsibilities**

- Establish and maintain company-wide communication
- Assist in normal card usage procedures
- Serve as primary contact for cardholders and liaison between cardholders and Scotia Bank
- Assist in problem resolution
- Audit program compliance and receipt retention
- Distribute training, Purchasing Cards and policy manuals
- Set credit limits, single dollar transaction limits and SIC/MCC code blocking changes.
- Generate reports to monitor performance of the program
- Co-ordinate reconciled data to A/P

**Site Coordinator Duties & Responsibilities:**

- Initiate and approve card requests for the Purchasing Cards within their areas of the organization
- Ensure the cards issued under their authority are properly utilized.
- Review and sign reconciled Monthly Reconciliation statements to ensure that receipts and documentation are attached and appropriate accounting codes are indicated
- Ensure that reconciled monthly transactions are received and forwarded to the Program Administrator.
- Co-ordinate any changes between cardholders and Program Administrator

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**Cardholder Duties & Responsibilities:**

- Maintain card security to prevent unauthorized charges against the account.
- Use it only for purchasing of items in accordance with company policies.
- Obtain a receipt at the point of purchase and verify it for accuracy. Retain receipts and Visa charge slips, and keep a monthly transaction log of card purchases.
- Reconcile receipts and monthly transaction log and forward to your Site Coordinator for review.
- Notify Program Administrator/Site Coordinator of name, telephone, address and division/department changes.
- Report any lost or stolen cards immediately to Program Administrator

**8.1.4 Controls**

Authorization controls are set by The Manager responsible for Materials Management and the Vice President of Operations only. Modifications shall not be done unless written authorization is provided to the Site Co-Coordinator in advance. The controls include:

- Monthly credit limits for cardholders
- Dollar limits per transaction
- Types of purchases that will be allowed (some vendors have been blocked from usage in the program)

For control purposes, the following transactions will be denied:

- Stock items available from stores or through approved ordering systems
- Prescription drugs
- Health care and medical services
- Capital Purchases exceeding \$500.00
- Gas Purchases & Vehicle Maintenance (Canada Only) or any other services which fall under Fleet Services Card Program
- Any product or service considered to be inappropriate use of Company funds

Use of this card for personal purposes is prohibited.



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All transaction details will be transmitted from the Scotia Bank and stored in a database on the computer system. Managers, supervisors and cardholders will be able to view or print various reports from their computers. Contact the Program Administrators or Site Coordinators for details on available reports.

**8.1.5 Reconciliation, Payment and Merchandise Returns**

Each cardholder will receive a monthly statement identifying each transaction made against the card during the previous billing period. The statement will be sent through e-mail.

**Reconciliation:**

1. The cardholder reconciles the credit card receipts to the transactions listed on their statement.
2. The cardholder verifies that the transactions are correct.
3. The cardholder must enter in the appropriate charge account numbers into the system.
4. Any discrepancies must be identified and the appropriate action taken to resolve the problem (see Dispute Process on next page).
5. Cardholder signs reconciled statement and forwards it with receipts attached to the next level of management for their review and approval.
6. Completed statements are forwarded to Program Administrator.

**Payment:**

1. All non-disputed transactions in the billing period are paid by the Company.
2. Disputed transactions remain outstanding and remain on the statement until they are resolved.

**PURCHASING POLICIES & PROCEDURES**

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**Merchandise Returns:**

The merchandise returns process will depend on the suppliers policy, reason for the return, how the purchase was made, i.e. pick up or mail order. In any case, the cardholder contacts the supplier for return policy information. Credit transactions are applied against the cardholder's Visa card and should be reported in the same manner as stated in the Purchase Procedures.

**8.1.7 Dispute Process**

The following steps should be taken for any transactions in dispute:

1. Cardholder contacts supplier directly.
2. Supplier reviews information and either demonstrates the charge is legitimate, credits the account or continues the dispute.
3. If the dispute continues, contact the Site Co-ordinator with the details.
4. If dispute cannot be resolved at the Site Co-ordinator level, contact the Program Administrator who will work with the Scotia Bank to resolve the dispute.

**8.1.8 Lost or Stolen Cards**

The following steps must be taken if a card is lost or stolen:

1. The cardholder must notify the Scotia Bank immediately at 1-888-823-9657.
2. The cardholder notifies the Program Administrator.
3. The card will be cancelled and a replacement issued.

**8.1.9 Allocation of Accounts for Meals**

A Company can only claim 2.5% of the HST as a business meal as an expense. The remainder is classified as a non-deductible expense.

How to calculate: example: total HST is \$7.21, multiply  
 $\$7.21 \times (2.5/13) = \$1.39$

All meals are coded to Cost Element 7802.

## **8.2 Fleet Cards**

### **8.2.1 Assignment of Fleet Cards**

Each transportation unit or licensed equipment will be issued its own fleet card.

The Fleet Supervisor (Cornwall and Fort Erie) or the Supervisor Procurement and Facilities (Algoma Power) shall be responsible for issuing new, lost or stolen fleet cards.

Fleet cards are only to be used for the transportation unit or licensed equipment for which they were assigned.

The cost centre under which the transportation unit or licensed equipment is assigned shall be responsible for all costs associated with the use of the fleet card.

### **8.2.2 Fleet Card Goods & Services**

Fleet cards are used to purchase either fuel and/or maintenance for the assigned transportation unit or licensed equipment at all participating fuel dispensing or auto and equipment maintenance shops in Canada Only.

The card shall not be used for any personal or sundry type items.

### **8.2.3 Lost or Stolen Fleet Cards**

Lost or Stolen Fleet Cards shall be reported immediately to the respective Fleet Supervisor.

### **8.2.4 Fuel Receipts**

Fuel Receipts must be retained and produced upon request for a period of one year by the responsible cost centre or individual.

## **9. Disposition of Scrap Metals**

### **9.1.1 Disposition of Scrap Metals**

FortisOntario has two types of metal materials that are sold to scrap dealers:

1. Mixed Metals
2. Copper (bare and jacketed)

### **9.1.2 Mixed Metals Disposition Procedure**

- Metals collected and stored in large bin provided by vendor.
- Vendor picks up the bin when full.
- Vendor sorts and weighs metals.
- Bill of Lading is given to storekeeper at pickup by the vendor.
- Record of pickup is filed in the Stores Department.
- When payment is made to FortisOntario, record of payment is attached to the appropriate Bill of Lading.
- Purchasing Department follows up if payment is not made in a reasonable time frame.

### **Copper Disposition Procedure**

- Copper collected and stored in container provided by vendor.
- When bin is full, the bin is weighed by FortisOntario and arrangements are made for pick up.
- Bill of Lading is given to storekeeper at pickup by the vendor.
- Record of pickup is filed in the Stores Department.
- When payment is made to FortisOntario, record of payment is attached to the appropriate Bill of Lading.
- Purchasing Department follows up if payment is not made in a reasonable time frame.

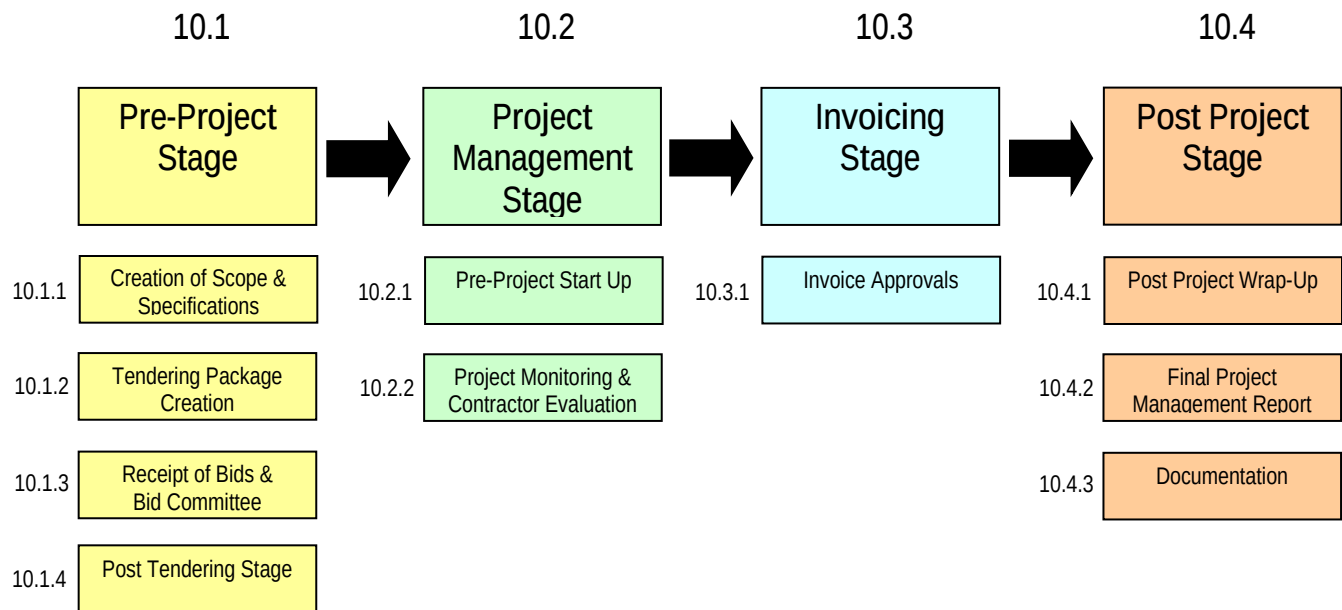
## ***PURCHASING POLICIES & PROCEDURES***

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### **10.0 Contracting for Goods or Services**

When services or goods are required for a project with an estimated value of \$50,000.00 or greater.

The Four Stages of Contracting listed below will be followed:



#### **10.1 Pre-Project Stage**

##### **10.1.1 Creation of Scope and Specification**

The project owner will define the Scope of the work, clearly defining the description, purpose, time frame, and responsibilities of all parties

The project owner will provide the Specifications and/or Drawings, representing what is required and how the project will be performed or constructed.

Both the Scope of the work and the Specifications will be forwarded to the Purchasing Dept.

***PURCHASING POLICIES & PROCEDURES***

|            |               |
|------------|---------------|
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**10.1.2 Tendering Package Creation**

The Purchasing Dept. will create the Tender Package with the information provided including the Scope, Specifications, and Drawings and send them out to pre-qualified vendors.

**10.1.3 Receipt of Bids and Bid Committee**

All bids must be received by the Purchasing Dept. before the closing time of the tender. Bids received after the closing time will not be accepted.

A Bid Committee set up by the Purchasing Dept. (typically comprised of the project owner requesting the work, a representative of the Purchasing Dept. and one other representative from the company with no direct relationship to the project) will open the bids and record the results on a bid analysis form. The bid committee will then determine who will be awarded the contract.

**10.1.4 Post Tendering Stage**

Before awarding the contract, the project owner requesting the contract shall forward a requisition to Purchasing, where the Purchasing Policies & Procedures will be followed:

Proper release procedures in SAP, followed by a Purchase Order and the completion of the VP1A by the Vice President of Operations. Once these steps are completed the successful bidder will provide all documentation required as described in the contract and both parties (company & contractor) will sign two copies of the Agreement part of the contract and the contractor will be given the Purchase Order to start work.

***PURCHASING POLICIES & PROCEDURES***

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**10.2 Project Management Stage**

**10.2.1 Pre-Project Start Up**

The project owner is responsible to have a pre-job meeting with the contractor and shall document the meeting on the Pre-job Meeting Minute form. During the meeting the project owner will ensure that the contractor obtains all necessary permits according to the contract document. The Company's HSE policy #P-304 "Contractor Health, Safety and Environmental Protection" shall be communicated to the contractor as well as all applicable Health, Safety and Environmental compliance requirements.

**10.2.2 Project Monitoring and Contractor Evaluation**

The project owner shall monitor all aspects of the project, including site visits, progress of the project, invoice verification for interim progress billing and provide reference documentation. He will also conduct safety observations as per HS&E policies and evaluate the performance of the contractor.

**10.3 Invoicing Stage**

**10.3.1 Invoice Approval**

All invoices are initially received by Accounts Payable, the Accounts Payable Clerk will forward the invoice to the project owner for his review. After the invoice has been reviewed and meets with his approval, the project owner will sign the invoice, approving it for payment, and forward the invoice to Purchasing. The Purchasing Dept. will also review the invoice against the original Purchase Order and make SAP entry to create a document number. At this stage it is sent back to accounts payable for processing. (create the cheque for payment).

***PURCHASING POLICIES & PROCEDURES***

|            |               |
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**10.4 Post Project Stage**

**10.4.1 Post Project Wrap-Up**

This is the last stage of the contracting process. The project (as well as the contractor's obligations) is finalized and evaluated. The project owner is responsible to ensure all invoices, including hold-backs, have reviewed and paid. He is also responsible to ensure that all excess materials are returned to the Stores Dept. to be credited back to the project.

He will also make sure that all deficiencies have been dealt with prior to closure of the project.

**10.4.2 Final Project Management Report (Project Owner)**

This report will include items like:

Cost savings, new procedures, explanation of cost over runs, timelines, final contract evaluation and general overview of how the project went.

**10.4.3 Documentation**

All documentation of any kind pertaining to this project will be included in the project file under the contract number in the Purchasing Department.



***PURCHASING POLICIES & PROCEDURES***

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## **11.0 Contractor Pre-Qualification Form (PQF)**

### **11.1 Purpose**

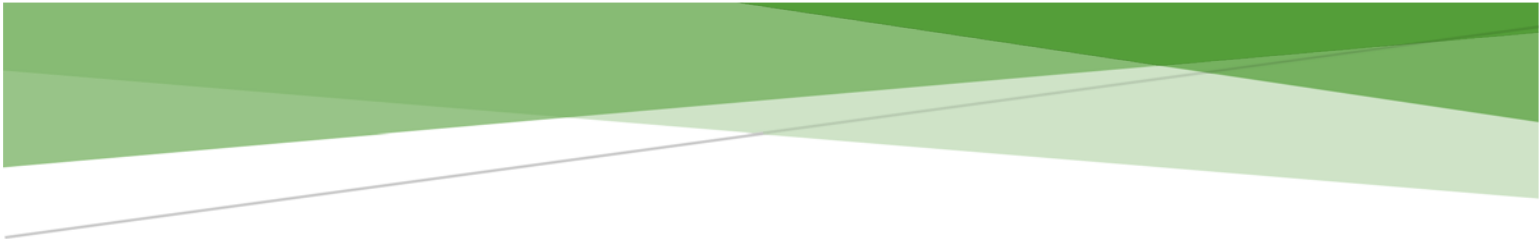
The purpose of this form is to document the qualifications of contractors having NO PREVIOUS WORK HISTORY with FortisOntario, and who are being considered to do projects in the \$50,000.00 range and up, and to gage their suitability to be on or off the Approved Contractors' List.

### **11.2 Roles & Responsibilities**

All FortisOntario personnel entrusted with the hiring of Contractors will have the Contractor complete this form. The Health and Safety Department will either approve or conditionally approve the request and work with the vendor to ensure all necessary facets are completed. Based on certain criteria and vendor performance, the HSE Department may elect NOT to pre-qualify a vendor.

|            |               |
|------------|---------------|
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[illegible]



# Appendix 4E

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019

# Income Tax/PILs Workform for 2019 Filers

Version 1.10

|                        |                                      |
|------------------------|--------------------------------------|
| Utility Name           | Algoma Power Inc.                    |
| Assigned EB Number     | EB-2019-0019                         |
| Name and Title         | Brian Vander Voet, Director, Finance |
| Phone Number           | 905-871-0330 ext 3208                |
| Email Address          | brian.vandervoet@cpower.com          |
| Date                   |                                      |
| Last COS Re-based Year | 2015                                 |

Note: Drop-down lists are shaded blue; Input cells are shaded green.

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*

## Instructions

### Purpose

The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab **T0** and is based on the inputs on the other tabs.

Tab **S Summary** is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Tab **S1 Integrity Checks** must be completed after the completion of the PILS calculation in this workbook.

### Methodology

To calculate the PILs for the Test Year:

- 1) input the balances from the income tax return of the Historical Year in tabs **H1** to **H13**.
- 2) input the balances for the Bridge Year and the Test Year.

Inputs should include:

- non-deductible expenses (Schedule 1 - **B1** and **T1**)
- loss carryforward (Schedule 4 - **B4** and **T4**)
- capital cost allowance (Schedule 8 - **B8** and **T8**)
- non-deductible reserves (Schedule 13 - **B13** and **T13**)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab **T0** is reasonable.

### Other Notes

Tabs **H0** to **H13** relate to the Historical Year.

Tabs **B0** to **B13** relate to the Bridge Year.

Tabs **T0** to **T13** relate to the Test Year.

The amounts on tabs **H0** to **H13** should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab **A**.

On tab **"A. Data Input Sheet"**, input the "Rate Base" amount and "Return on Rate Base" amounts.



# Income Tax/PILs Workform for 2019 Filers

[1. Info](#)

[S. Summary](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

## Historical Year

[H0 - PILs, Tax Provision Historical Year](#)

[H1 - Adj. Taxable Income Historical Year](#)

[H4 - Schedule 4 Loss Carry Forward Historical Year](#)

[H8 - Schedule 8 Historical](#)

[H13 - Schedule 13 Tax Reserves Historical](#)

## Bridge Year

[B0 - PILs, Tax Provision Bridge Year](#)

[B1 - Adj. Taxable Income Bridge Year](#)

[B4 - Schedule 4 Loss Carry Forward Bridge Year](#)

[B8 - Schedule 8 CCA Bridge Year](#)

[B13 - Schedule 13 Tax Reserves Bridge Year](#)

## Test Year

[T0 PILs, Tax Provision Test Year](#)

[T1 Taxable Income Test Year](#)

[T4 Schedule 4 Loss Carry Forward Test Year](#)

[T8 Schedule 8 CCA Test Year](#)

[T13 Schedule 13 Reserve Test Year](#)

# Income Tax/PILs Workform for 2019 Filers

No inputs required on this worksheet.

## Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

| Item                                                                       | Working Paper<br>Reference |                     |
|----------------------------------------------------------------------------|----------------------------|---------------------|
| Adjustments required to arrive at taxable income                           | as below                   | -3,379,548          |
| Test Year - Payments in Lieu of Taxes (PILs)                               | <a href="#">T0</a>         | 245,471             |
| Test Year - Grossed-up PILs                                                | <a href="#">T0</a>         | 333,974             |
| Effective Federal Tax Rate                                                 | <a href="#">T0</a>         | 15.0%               |
| Effective Ontario Tax Rate                                                 | <a href="#">T0</a>         | 11.5%               |
| <br><u>Calculation of Adjustments required to arrive at Taxable Income</u> |                            |                     |
| Regulatory Income (before income taxes)                                    | <a href="#">T1</a>         | 4,305,854           |
| Taxable Income                                                             | <a href="#">T1</a>         | 926,305             |
| Difference                                                                 | calculated                 | -3,379,548 as above |

## Income Tax/PILs Workform for 2019 Filers

### Integrity Checks

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

|   | Item                                                                                                                                                                                                                                                                                                                                                            | Utility Confirmation (Y/N) | Notes                                                                                                                              |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application.                                                                                                                                                                                                      | Y                          |                                                                                                                                    |
| 2 | The capital additions and deductions in the UCC/CCA Schedule 8 agree with the rate base section for historical, bridge and test years                                                                                                                                                                                                                           | Y                          |                                                                                                                                    |
| 3 | Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8. | N/A                        | 2018 corporate tax return not yet filed as of cost of service submission date, Schedule 8 2018 draft values input into this model. |
| 4 | The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the UCC schedules for the same years filed in the application.                                                                                                                                                           | Y                          |                                                                                                                                    |
| 5 | Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application.                                                                                                                                                                                                                                                   | N/A                        |                                                                                                                                    |
| 6 | A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized.                                                                                                                                                                                                                                                 | N/A                        |                                                                                                                                    |
| 7 | CCA is maximized even if there are tax loss carry-forwards.                                                                                                                                                                                                                                                                                                     | Y                          |                                                                                                                                    |
| 8 | Accounting OPEB and pension amounts added back on Schedule 1 to reconcile accounting income to net income for tax purposes, must agree with the OM&A analysis for compensation. The amounts deducted must be reasonable when compared with the notes in the audited financial statements, FSCO reports, and the actuarial valuations.                           | Y                          |                                                                                                                                    |
| 9 | The income tax rate used to calculate the tax expense must be consistent with the utility's actual tax facts and evidence filed in the application.                                                                                                                                                                                                             | Y                          |                                                                                                                                    |

# Income Tax/PILs Workform for 2019 Filers

## Rate Base

### Return on Ratebase

Deemed ShortTerm Debt %  
Deemed Long Term Debt %  
Deemed Equity %

Short Term Interest Rate

Long Term Interest

**Return on Equity (Regulatory Income)**

**Return on Rate Base**

4.00%  
56.00%  
40.00%

2.82%  
4.95%  
8.98%

|    | Test Year           | Bridge Year                      |
|----|---------------------|----------------------------------|
| S  | \$ 119,873,438      | \$ 114,788,517                   |
| T  | \$ 4,794,938        | $W = S * T$                      |
| U  | \$ 67,129,125       | $X = S * U$                      |
| V  | \$ 47,949,375       | $Y = S * V$                      |
| Z  | \$ 135,217          | $AC = W * Z$                     |
| AA | \$ 3,322,892        | $AD = X * AA$                    |
| AB | \$ 4,305,854        | $AE = Y * AB$ <a href="#">T1</a> |
|    | <b>\$ 7,763,963</b> | $AF = AC + AD + AE$              |

## Questions that must be answered

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?  
*If Yes, please describe what was the tax treatment in the manager's summary.*
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

| Historical Year | Bridge Year | Test Year |
|-----------------|-------------|-----------|
| No              | No          | No        |
| No              | No          | No        |
| Yes             | No          | No        |
| No              | No          | No        |
| No              | No          | No        |
| No              | No          | No        |
| No              | No          | No        |
| No              | No          | No        |





# Income Tax/PILs Workform for 2019 Filers

## Tax Rates

### Federal & Provincial As of June 29, 2018

#### Federal income tax

General corporate rate

Federal tax abatement

Adjusted federal rate

Rate reduction

#### Federal Income Tax

#### Ontario income tax

#### Combined federal and Ontario

#### Federal & Ontario Small Business

Federal small business threshold

Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

|                                  | Effective<br>January 1, 2014 | Effective<br>January 1, 2015 | Effective<br>January 1, 2016 | Effective<br>January 1, 2017 | Effective<br>January 1, 2018 | Effective<br>January 1, 2019 |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| General corporate rate           | 38.00%                       | 38.00%                       | 38.00%                       | 38.00%                       | 38.00%                       | 38.00%                       |
| Federal tax abatement            | -10.00%                      | -10.00%                      | -10.00%                      | -10.00%                      | -10.00%                      | -10.00%                      |
| Adjusted federal rate            | 28.00%                       | 28.00%                       | 28.00%                       | 28.00%                       | 28.00%                       | 28.00%                       |
| Rate reduction                   | -13.00%                      | -13.00%                      | -13.00%                      | -13.00%                      | -13.00%                      | -13.00%                      |
| Federal Income Tax               | 15.00%                       | 15.00%                       | 15.00%                       | 15.00%                       | 15.00%                       | 15.00%                       |
| Ontario income tax               | 11.50%                       | 11.50%                       | 11.50%                       | 11.50%                       | 11.50%                       | 11.50%                       |
| Combined federal and Ontario     | 26.50%                       | 26.50%                       | 26.50%                       | 26.50%                       | 26.50%                       | 26.50%                       |
| Federal small business threshold | 500,000                      | 500,000                      | 500,000                      | 500,000                      | 500,000                      | 500,000                      |
| Ontario Small Business Threshold | 500,000                      | 500,000                      | 500,000                      | 500,000                      | 500,000                      | 500,000                      |
| Federal small business rate      | 11.00%                       | 11.00%                       | 11.00%                       | 10.50%                       | 10.00%                       | 9.00%                        |
| Ontario small business rate      | 4.50%                        | 4.50%                        | 4.50%                        | 4.50%                        | 3.50%                        | 3.50%                        |

## Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. Regarding the small business deduction, if applicable,
  - a. If taxable capital exceeds \$15 million, the small business rate will not be applicable.
  - b. If taxable capital is below \$10 million, the small business rate would be applicable.
  - c. If taxable capital is between \$10 million and \$15 million, the appropriate small business rate will be calculated.



# Income Tax/PILs Workform for 2019 Filers

## PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Regulatory Taxable Income  
Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)  
Federal tax rate (Maximum 15%)  
Combined tax rate (Maximum 26.5%)

11.50%  
15.00%

B  
C

[H1](#)

Wires Only

\$ 2,140,151 A

26.50% D = B+C

Total Income Taxes

\$ 567,140 E = A \* D

Investment Tax Credits  
Miscellaneous Tax Credits

\$ - F

\$ - G

Total Tax Credits

\$ - H = F + G

Corporate PILs/Income Tax Provision for Historical Year

\$ 567,140 I = E - H



# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Historical Year

|                                                                                                      | T2S1 line #            | Total for Legal Entity | Non-Distribution Eliminations | Historic Wires Only |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|-------------------------------|---------------------|
| <b>Income before PILs/Taxes</b>                                                                      | <b>(A + 101 + 102)</b> | 4,381,187              |                               | 4,381,187           |
| <b>Additions:</b>                                                                                    |                        |                        |                               |                     |
| Interest and penalties on taxes                                                                      | 103                    |                        |                               | 0                   |
| Amortization of tangible assets                                                                      | 104                    | 3,250,612              |                               | 3,250,612           |
| Amortization of intangible assets                                                                    | 106                    | 736,165                |                               | 736,165             |
| Recapture of capital cost allowance from Schedule 8                                                  | 107                    |                        |                               | 0                   |
| Gain on sale of eligible capital property from Schedule 10                                           | 108                    |                        |                               | 0                   |
| Income or loss for tax purposes- joint ventures or partnerships                                      | 109                    |                        |                               | 0                   |
| Loss in equity of subsidiaries and affiliates                                                        | 110                    |                        |                               | 0                   |
| Loss on disposal of assets                                                                           | 111                    | 22,190                 |                               | 22,190              |
| Charitable donations                                                                                 | 112                    | 36,385                 | 8,445                         | 27,940              |
| Taxable Capital Gains                                                                                | 113                    |                        |                               | 0                   |
| Political Donations                                                                                  | 114                    |                        |                               | 0                   |
| Deferred and prepaid expenses                                                                        | 116                    |                        |                               | 0                   |
| Scientific research expenditures deducted on financial statements                                    | 118                    |                        |                               | 0                   |
| Capitalized interest                                                                                 | 119                    |                        |                               | 0                   |
| Non-deductible club dues and fees                                                                    | 120                    |                        |                               | 0                   |
| Non-deductible meals and entertainment expense                                                       | 121                    | 28,669                 |                               | 28,669              |
| Non-deductible automobile expenses                                                                   | 122                    |                        |                               | 0                   |
| Non-deductible life insurance premiums                                                               | 123                    |                        |                               | 0                   |
| Non-deductible company pension plans                                                                 | 124                    |                        |                               | 0                   |
| Tax reserves deducted in prior year                                                                  | 125                    |                        |                               | 0                   |
| Reserves from financial statements- balance at end of year                                           | 126                    | 4,636,206              |                               | 4,636,206           |
| Soft costs on construction and renovation of buildings                                               | 127                    |                        |                               | 0                   |
| Book loss on joint ventures or partnerships                                                          | 205                    |                        |                               | 0                   |
| Capital items expensed                                                                               | 206                    |                        |                               | 0                   |
| Debt issue expense                                                                                   | 208                    | 16,632                 |                               | 16,632              |
| Development expenses claimed in current year                                                         | 212                    |                        |                               | 0                   |
| Financing fees deducted in books                                                                     | 216                    |                        |                               | 0                   |
| Gain on settlement of debt                                                                           | 220                    |                        |                               | 0                   |
| Non-deductible advertising                                                                           | 226                    |                        |                               | 0                   |
| Non-deductible interest                                                                              | 227                    |                        |                               | 0                   |
| Non-deductible legal and accounting fees                                                             | 228                    |                        |                               | 0                   |
| Recapture of SR&ED expenditures                                                                      | 231                    |                        |                               | 0                   |
| Share issue expense                                                                                  | 235                    |                        |                               | 0                   |
| Write down of capital property                                                                       | 236                    |                        |                               | 0                   |
| Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237                    |                        |                               | 0                   |
| <b>Other Additions</b>                                                                               |                        |                        |                               |                     |
| Interest Expensed on Capital Leases                                                                  | 290                    |                        |                               | 0                   |
| Realized Income from Deferred Credit Accounts                                                        | 291                    |                        |                               | 0                   |
| Pensions                                                                                             | 292                    |                        |                               | 0                   |
| Non-deductible penalties                                                                             | 293                    |                        |                               | 0                   |
|                                                                                                      | 294                    |                        |                               | 0                   |
|                                                                                                      | 295                    |                        |                               | 0                   |
| ARO Accretion expense                                                                                |                        |                        |                               | 0                   |
| Capital Contributions Received (ITA 12(1)(x))                                                        |                        |                        |                               | 0                   |
| Lease Inducements Received (ITA 12(1)(x))                                                            |                        |                        |                               | 0                   |
| Deferred Revenue (ITA 12(1)(a))                                                                      |                        |                        |                               | 0                   |
| Prior Year Investment Tax Credits received                                                           |                        |                        |                               | 0                   |
|                                                                                                      |                        |                        |                               | 0                   |

|                                                                                                                                  |     |                   |                 |                   |
|----------------------------------------------------------------------------------------------------------------------------------|-----|-------------------|-----------------|-------------------|
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
| <b>Total Additions</b>                                                                                                           |     | <b>8,726,859</b>  | <b>8,445</b>    | <b>8,718,414</b>  |
| <b>Deductions:</b>                                                                                                               |     |                   |                 |                   |
| Gain on disposal of assets per financial statements                                                                              | 401 |                   |                 | 0                 |
| Dividends not taxable under section 83                                                                                           | 402 |                   |                 | 0                 |
| Capital cost allowance from Schedule 8                                                                                           | 403 | 7,248,414         | 422,147         | 6,826,267         |
| Terminal loss from Schedule 8                                                                                                    | 404 |                   |                 | 0                 |
| Allowable business investment loss                                                                                               | 406 |                   |                 | 0                 |
| Deferred and prepaid expenses                                                                                                    | 409 |                   |                 | 0                 |
| Scientific research expenses claimed in year                                                                                     | 411 |                   |                 | 0                 |
| Tax reserves claimed in current year                                                                                             | 413 |                   |                 | 0                 |
| Reserves from financial statements - balance at beginning of year                                                                | 414 | 4,133,183         |                 | 4,133,183         |
| Contributions to deferred income plans                                                                                           | 416 |                   |                 | 0                 |
| Book income of joint venture or partnership                                                                                      | 305 |                   |                 | 0                 |
| Equity in income from subsidiary or affiliates                                                                                   | 306 |                   |                 | 0                 |
| Other deductions: (Please explain in detail the nature of the item)                                                              |     |                   |                 |                   |
|                                                                                                                                  |     |                   |                 |                   |
| Interest capitalized for accounting deducted for tax                                                                             | 390 |                   |                 | 0                 |
| Capital Lease Payments                                                                                                           | 391 |                   |                 | 0                 |
| Non-taxable imputed interest income on deferral and variance accounts                                                            | 392 |                   |                 | 0                 |
|                                                                                                                                  | 393 |                   |                 | 0                 |
|                                                                                                                                  | 394 |                   |                 | 0                 |
| ARO Payments - Deductible for Tax when Paid                                                                                      |     |                   |                 | 0                 |
| ITA 13(7.4) Election - Capital Contributions Received                                                                            |     |                   |                 | 0                 |
| ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds                                                              |     |                   |                 | 0                 |
| Deferred Revenue - ITA 20(1)(m) reserve                                                                                          |     |                   |                 | 0                 |
| Principal portion of lease payments                                                                                              |     |                   |                 | 0                 |
| Lease Inducement Book Amortization credit to income                                                                              |     |                   |                 | 0                 |
| Financing fees for tax ITA 20(1)(e) and (e.1)                                                                                    |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 | 0                 |
| <b>Total Deductions</b>                                                                                                          |     | <b>11,381,597</b> | <b>422,147</b>  | <b>10,959,450</b> |
| <b>Net Income for Tax Purposes</b>                                                                                               |     | <b>1,726,449</b>  | <b>-413,702</b> | <b>2,140,151</b>  |
|                                                                                                                                  |     |                   |                 |                   |
| Charitable donations from Schedule 2                                                                                             | 311 |                   |                 | 0                 |
| Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)                                                 | 320 |                   |                 | 0                 |
| Non-capital losses of preceding taxation years from Schedule 4                                                                   | 331 |                   |                 | 0                 |
| Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary) | 332 |                   |                 | 0                 |
| Limited partnership losses of preceding taxation years from Schedule 4                                                           | 335 |                   |                 | 0                 |
|                                                                                                                                  |     |                   |                 |                   |
| <b>TAXABLE INCOME</b>                                                                                                            |     | <b>1,726,449</b>  | <b>-413,702</b> | <b>2,140,151</b>  |



Ontario Energy Board

# Income Tax/PILs Workform for 2019 Filers

## Schedule 7-1 Loss Carry Forward - Historical

### Corporation Loss Continuity and Application

|                                                 | Total | Non-Distribution Portion | Utility Balance |
|-------------------------------------------------|-------|--------------------------|-----------------|
| <b>Non-Capital Loss Carry Forward Deduction</b> |       |                          |                 |
| Actual Historical                               | 0     |                          | 0               |

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|                                                 | Total | Non-Distribution Portion | Utility Balance |
|-------------------------------------------------|-------|--------------------------|-----------------|
| <b>Net Capital Loss Carry Forward Deduction</b> |       |                          |                 |
| Actual Historical                               | 0     |                          | 0               |

[B4](#)

# Income Tax/PILs Workform for 2019 Filers

### Schedule 8 - Historical Year

| Class           | Class Description                                                          | UCC End of Year<br>Historical per tax returns | Less: Non-Distribution<br>Portion | UCC Regulated Historical Year |
|-----------------|----------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------|-------------------------------|
| 1               | Distribution System - post 1987                                            | \$ 22,403,327.00                              |                                   | \$ 22,403,327.00              |
| 1 Enhanced      | Non-residential Buildings Reg. 1100(1)(a.1) election                       |                                               |                                   | \$ -                          |
| 2               | Distribution System - pre 1988                                             |                                               |                                   | \$ -                          |
| 8               | General Office/Stores Equip                                                | \$ 450,077.00                                 |                                   | \$ 450,077.00                 |
| 10              | Computer Hardware/ Vehicles                                                | \$ 1,522,572.00                               |                                   | \$ 1,522,572.00               |
| 10.1            | Certain Automobiles                                                        |                                               |                                   | \$ -                          |
| 12              | Computer Software                                                          | \$ 120,438.00                                 |                                   | \$ 120,438.00                 |
| 13 <sub>1</sub> | Lease # 1                                                                  |                                               |                                   | \$ -                          |
| 13 <sub>2</sub> | Lease #2                                                                   |                                               |                                   | \$ -                          |
| 13 <sub>3</sub> | Lease # 3                                                                  |                                               |                                   | \$ -                          |
| 13 <sub>4</sub> | Lease # 4                                                                  |                                               |                                   | \$ -                          |
| 14              | Franchise                                                                  |                                               |                                   | \$ -                          |
| 17              | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs |                                               |                                   | \$ -                          |
| 42              | Fibre Optic Cable                                                          |                                               |                                   | \$ -                          |
| 43.1            | Certain Energy-Efficient Electrical Generating Equipment                   |                                               |                                   | \$ -                          |
| 43.2            | Certain Clean Energy Generation Equipment                                  |                                               |                                   | \$ -                          |
| 45              | Computers & Systems Software acq'd post Mar 22/04                          | \$ 504.00                                     |                                   | \$ 504.00                     |
| 46              | Data Network Infrastructure Equipment (acq'd post Mar 22/04)               | \$ 11,403.00                                  |                                   | \$ 11,403.00                  |
| 47              | Distribution System - post February 2005                                   | \$ 61,082,377.00                              |                                   | \$ 61,082,377.00              |
| 50              | Data Network Infrastructure Equipment - post Mar 2007                      | \$ 115,361.00                                 |                                   | \$ 115,361.00                 |
| 52              | Computer Hardware and system software                                      |                                               |                                   | \$ -                          |
| 95              | CWIP                                                                       |                                               |                                   | \$ -                          |
| 14.1            | Eligible Capital Property (acq'd pre Jan 1, 2017) <sup>1</sup>             | \$ 5,608,524.00                               | \$ 5,608,524.00                   | \$ -                          |
| 14.1            | Eligible Capital Property (acq'd post Jan 1, 2017) <sup>1</sup>            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 |                                                                            |                                               |                                   | \$ -                          |
|                 | SUB-TOTAL - UCC                                                            | 91,314,583                                    | 5,608,524                         | 85,706,059                    |

<sup>1</sup> New CCA class 14.1 effective January 1, 2017. The class includes property that was eligible capital property immediately before January 1, 2017. For tax years that end prior to 2027, transitional rules apply to class 14.1 that were acquired before January 1, 2017.



# Income Tax/PILs Workform for 2019 Filers

## Schedule 13 Tax Reserves - Historical

### Continuity of Reserves

| Description                                                                     | Historical Balance as per tax returns | Non-Distribution Eliminations | Utility Only     |                     |
|---------------------------------------------------------------------------------|---------------------------------------|-------------------------------|------------------|---------------------|
| Capital Gains Reserves ss.40(1)                                                 |                                       |                               | 0                | <a href="#">B13</a> |
| <b>Tax Reserves Not Deducted for accounting purposes</b>                        |                                       |                               |                  |                     |
| Reserve for doubtful accounts ss. 20(1)(l)                                      |                                       |                               | 0                | <a href="#">B13</a> |
| Reserve for goods and services not delivered ss. 20(1)(m)                       |                                       |                               | 0                | <a href="#">B13</a> |
| Reserve for unpaid amounts ss. 20(1)(n)                                         |                                       |                               | 0                | <a href="#">B13</a> |
| Debt & Share Issue Expenses ss. 20(1)(e)                                        |                                       |                               | 0                | <a href="#">B13</a> |
| Other tax reserves                                                              |                                       |                               | 0                | <a href="#">B13</a> |
|                                                                                 |                                       |                               | 0                |                     |
|                                                                                 |                                       |                               | 0                |                     |
|                                                                                 |                                       |                               | 0                |                     |
|                                                                                 |                                       |                               | 0                |                     |
| <b>Total</b>                                                                    | <b>0</b>                              | <b>0</b>                      | <b>0</b>         |                     |
| <b>Financial Statement Reserves (not deductible for Tax Purposes)</b>           |                                       |                               |                  |                     |
| General Reserve for Inventory Obsolescence (non-specific)                       |                                       |                               | 0                | <a href="#">B13</a> |
| General reserve for bad debts                                                   |                                       |                               | 0                | <a href="#">B13</a> |
| Accrued Employee Future Benefits:                                               |                                       |                               | 0                | <a href="#">B13</a> |
| - Medical and Life Insurance                                                    |                                       |                               | 0                | <a href="#">B13</a> |
| - Short & Long-term Disability                                                  |                                       |                               | 0                | <a href="#">B13</a> |
| - Accumulated Sick Leave                                                        |                                       |                               | 0                | <a href="#">B13</a> |
| - Termination Cost                                                              |                                       |                               | 0                | <a href="#">B13</a> |
| - Other Post-Employment Benefits                                                |                                       |                               | 0                | <a href="#">B13</a> |
| Provision for Environmental Costs                                               |                                       |                               | 0                | <a href="#">B13</a> |
| Restructuring Costs                                                             |                                       |                               | 0                | <a href="#">B13</a> |
| Accrued Contingent Litigation Costs                                             |                                       |                               | 0                | <a href="#">B13</a> |
| Accrued Self-Insurance Costs                                                    |                                       |                               | 0                | <a href="#">B13</a> |
| Other Contingent Liabilities                                                    |                                       |                               | 0                | <a href="#">B13</a> |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)              |                                       |                               | 0                | <a href="#">B13</a> |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) |                                       |                               | 0                | <a href="#">B13</a> |
| Other                                                                           |                                       |                               | 0                | <a href="#">B13</a> |
|                                                                                 |                                       |                               |                  |                     |
|                                                                                 |                                       |                               |                  |                     |
| Pension and OPEB                                                                | 4,636,206                             |                               | 4,636,206        |                     |
|                                                                                 |                                       |                               | 0                |                     |
| <b>Total</b>                                                                    | <b>4,636,206</b>                      | <b>0</b>                      | <b>4,636,206</b> |                     |



# Income Tax/PILs Workform for 2019 Filers

## PILS Tax Provision - Bridge Year

### Regulatory Taxable Income

|                                         | Tax Rate | Small<br>Business<br>Rate (If<br>Applicable) | Taxes<br>Payable | Effective Tax Rate |          |
|-----------------------------------------|----------|----------------------------------------------|------------------|--------------------|----------|
| Ontario (Max 11.5%)                     | 11.5%    | 11.5%                                        | \$ 132,176       | 11.5%              | <b>B</b> |
| Federal (Max 15%)                       | 15.0%    | 15.0%                                        | \$ 172,404       | 15.0%              | <b>C</b> |
| Combined effective tax rate (Max 26.5%) |          |                                              |                  |                    |          |

### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

### Total Tax Credits

### Corporate PILs/Income Tax Provision for Bridge Year

## Wires Only

Reference

[B1](#)\$ 1,149,359 **A**26.50% **D = B + C**\$ 304,580 **E = A \* D**\$ - **F**\$ - **G**\$ - **H = F + G**\$ 304,580 **I = E - H**

### Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.





# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Bridge Year

|                                                                                                      | T2S1 line #     | Working Paper Reference | Total for Regulated Utility |
|------------------------------------------------------------------------------------------------------|-----------------|-------------------------|-----------------------------|
| Income before PILs/Taxes                                                                             | (A + 101 + 102) |                         | 4,313,739                   |
| <b>Additions:</b>                                                                                    |                 |                         |                             |
| Interest and penalties on taxes                                                                      | 103             |                         |                             |
| Amortization of tangible assets                                                                      | 104             |                         | 3,437,114                   |
| Amortization of intangible assets                                                                    | 106             |                         | 758,090                     |
| Recapture of capital cost allowance from Schedule 8                                                  | 107             |                         |                             |
| Gain on sale of eligible capital property from Schedule 10                                           | 108             |                         |                             |
| Income or loss for tax purposes- joint ventures or partnerships                                      | 109             |                         |                             |
| Loss in equity of subsidiaries and affiliates                                                        | 110             |                         |                             |
| Loss on disposal of assets                                                                           | 111             |                         |                             |
| Charitable donations                                                                                 | 112             |                         | 27,940                      |
| Taxable Capital Gains                                                                                | 113             |                         |                             |
| Political Donations                                                                                  | 114             |                         |                             |
| Deferred and prepaid expenses                                                                        | 116             |                         |                             |
| Scientific research expenditures deducted on financial statements                                    | 118             |                         |                             |
| Capitalized interest                                                                                 | 119             |                         |                             |
| Non-deductible club dues and fees                                                                    | 120             |                         |                             |
| Non-deductible meals and entertainment expense                                                       | 121             |                         | 25,000                      |
| Non-deductible automobile expenses                                                                   | 122             |                         |                             |
| Non-deductible life insurance premiums                                                               | 123             |                         |                             |
| Non-deductible company pension plans                                                                 | 124             |                         |                             |
| Tax reserves deducted in prior year                                                                  | 125             | B13                     | 0                           |
| Reserves from financial statements- balance at end of year                                           | 126             | B13                     | 5,321,749                   |
| Soft costs on construction and renovation of buildings                                               | 127             |                         |                             |
| Book loss on joint ventures or partnerships                                                          | 205             |                         |                             |
| Capital items expensed                                                                               | 206             |                         |                             |
| Debt issue expense                                                                                   | 208             |                         | 16,632                      |
| Development expenses claimed in current year                                                         | 212             |                         |                             |
| Financing fees deducted in books                                                                     | 216             |                         |                             |
| Gain on settlement of debt                                                                           | 220             |                         |                             |
| Non-deductible advertising                                                                           | 226             |                         |                             |
| Non-deductible interest                                                                              | 227             |                         |                             |
| Non-deductible legal and accounting fees                                                             | 228             |                         |                             |
| Recapture of SR&ED expenditures                                                                      | 231             |                         |                             |
| Share issue expense                                                                                  | 235             |                         |                             |
| Write down of capital property                                                                       | 236             |                         |                             |
| Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237             |                         |                             |



# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Bridge Year

|                                                                     |     |     |                  |
|---------------------------------------------------------------------|-----|-----|------------------|
| <b>Other Additions</b>                                              |     |     |                  |
| Interest Expensed on Capital Leases                                 | 290 |     |                  |
| Realized Income from Deferred Credit Accounts                       | 291 |     |                  |
| Pensions                                                            | 292 |     |                  |
| Non-deductible penalties                                            | 293 |     |                  |
|                                                                     | 294 |     |                  |
|                                                                     | 295 |     |                  |
| ARO Accretion expense                                               |     |     |                  |
| Capital Contributions Received (ITA 12(1)(x))                       |     |     |                  |
| Lease Inducements Received (ITA 12(1)(x))                           |     |     |                  |
| Deferred Revenue (ITA 12(1)(a))                                     |     |     |                  |
| Prior Year Investment Tax Credits received                          |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
|                                                                     |     |     |                  |
| <b>Total Additions</b>                                              |     |     | <b>9,586,525</b> |
| <b>Deductions:</b>                                                  |     |     |                  |
| Gain on disposal of assets per financial statements                 | 401 |     |                  |
| Dividends not taxable under section 83                              | 402 |     |                  |
| Capital cost allowance from Schedule 8                              | 403 | B8  | 8,114,700        |
| Terminal loss from Schedule 8                                       | 404 |     |                  |
| Allowable business investment loss                                  | 406 |     |                  |
| Deferred and prepaid expenses                                       | 409 |     |                  |
| Scientific research expenses claimed in year                        | 411 |     |                  |
| Tax reserves claimed in current year                                | 413 | B13 | 0                |
| Reserves from financial statements - balance at beginning of year   | 414 | B13 | 4,636,206        |
| Contributions to deferred income plans                              | 416 |     |                  |
| Book income of joint venture or partnership                         | 305 |     |                  |
| Equity in income from subsidiary or affiliates                      | 306 |     |                  |
| Other deductions: (Please explain in detail the nature of the item) |     |     |                  |
|                                                                     |     |     |                  |



# Income Tax/PILs Workform for 2019 Filers

## Adjusted Taxable Income - Bridge Year

|                                                                                                                                  |     |            |                   |
|----------------------------------------------------------------------------------------------------------------------------------|-----|------------|-------------------|
| Interest capitalized for accounting deducted for tax                                                                             | 390 |            |                   |
| Capital Lease Payments                                                                                                           | 391 |            |                   |
| Non-taxable imputed interest income on deferral and variance accounts                                                            | 392 |            |                   |
|                                                                                                                                  | 393 |            |                   |
|                                                                                                                                  | 394 |            |                   |
| ARO Payments - Deductible for Tax when Paid                                                                                      |     |            |                   |
| ITA 13(7.4) Election - Capital Contributions Received                                                                            |     |            |                   |
| ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds                                                              |     |            |                   |
| Deferred Revenue - ITA 20(1)(m) reserve                                                                                          |     |            |                   |
| Principal portion of lease payments                                                                                              |     |            |                   |
| Lease Inducement Book Amortization credit to income                                                                              |     |            |                   |
| Financing fees for tax ITA 20(1)(e) and (e.1)                                                                                    |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
|                                                                                                                                  |     |            |                   |
| <b>Total Deductions</b>                                                                                                          |     | calculated | <b>12,750,906</b> |
|                                                                                                                                  |     |            |                   |
| <b>Net Income for Tax Purposes</b>                                                                                               |     | calculated | <b>1,149,359</b>  |
| Charitable donations from Schedule 2                                                                                             | 311 |            |                   |
| Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)                                                 | 320 |            |                   |
| Non-capital losses of preceding taxation years from Schedule 4                                                                   | 331 | B4         | 0                 |
| Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary) | 332 | B4         | 0                 |
| Limited partnership losses of preceding taxation years from Schedule 4                                                           | 335 |            |                   |
|                                                                                                                                  |     |            |                   |
| <b>TAXABLE INCOME</b>                                                                                                            |     | calculated | <b>1,149,359</b>  |



Ontario Energy Board

# Income Tax/PILs Workform for 2019 Filers

## Corporation Loss Continuity and Application

### Schedule 4 Loss Carry Forward - Bridge Year

| Non-Capital Loss Carry Forward Deduction             |                    | Total |
|------------------------------------------------------|--------------------|-------|
| Actual Historical                                    | <a href="#">H4</a> | 0     |
| <b>Amount to be used in Bridge Year</b>              | <a href="#">B1</a> | 0     |
| Loss Carry Forward Generated in Bridge Year (if any) | <a href="#">B1</a> | 0     |
| Other Adjustments                                    |                    |       |
| Balance available for use post Bridge Year           | calculated         | 0     |

[T4](#)

| Net Capital Loss Carry Forward Deduction             |                    | Total |
|------------------------------------------------------|--------------------|-------|
| Actual Historical                                    | <a href="#">H4</a> | 0     |
| <b>Amount to be used in Bridge Year</b>              |                    |       |
| Loss Carry Forward Generated in Bridge Year (if any) | <a href="#">B1</a> |       |
| Other Adjustments                                    |                    |       |
| Balance available for use post Bridge Year           | calculated         | 0     |

[T4](#)



# Income Tax/PILs Workform for 2019 Filers

## Schedule 8 CCA - Bridge Year

| Class      | Class Description                                                          | Working Paper Reference | UCC Regulated Historical Year | Additions     | Disposals (Negative) | UCC Before 1/2 Yr Adjustment | 1/2 Year Rule (1/2 Additions Less Disposals) | Reduced UCC    | Rate % | Bridge Year CCA | UCC End of Bridge Year | Working Paper Reference |
|------------|----------------------------------------------------------------------------|-------------------------|-------------------------------|---------------|----------------------|------------------------------|----------------------------------------------|----------------|--------|-----------------|------------------------|-------------------------|
| 1          | Distribution System - post 1987                                            | H8                      | \$ 22,403,327.00              |               |                      | \$ 22,403,327                | \$ -                                         | \$ 22,403,327  | 4%     | \$ 896,133      | \$ 21,507,194          | T8                      |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election                       | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 6%     | \$ -            | \$ -                   | T8                      |
| 2          | Distribution System - pre 1988                                             | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 6%     | \$ -            | \$ -                   | T8                      |
| 8          | General Office/Stores Equip                                                | H8                      | \$ 450,077.00                 |               |                      | \$ 450,077                   | \$ -                                         | \$ 450,077     | 20%    | \$ 90,015       | \$ 360,062             | T8                      |
| 10         | Computer Hardware/ Vehicles                                                | H8                      | \$ 1,522,572.00               |               |                      | \$ 1,522,572                 | \$ -                                         | \$ 1,522,572   | 30%    | \$ 456,772      | \$ 1,065,800           | T8                      |
| 10.1       | Certain Automobiles                                                        | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 30%    | \$ -            | \$ -                   | T8                      |
| 12         | Computer Software                                                          | H8                      | \$ 120,438.00                 |               |                      | \$ 120,438                   | \$ -                                         | \$ 120,438     | 100%   | \$ 120,438      | \$ -                   | T8                      |
| 13.1       | Lease # 1                                                                  | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   | T8                      |
| 13.2       | Lease #2                                                                   | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   | T8                      |
| 13.3       | Lease # 3                                                                  | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   | T8                      |
| 13.4       | Lease # 4                                                                  | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   | T8                      |
| 14         | Franchise                                                                  | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   | T8                      |
| 17         | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 8%     | \$ -            | \$ -                   | T8                      |
| 42         | Fibre Optic Cable                                                          | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 12%    | \$ -            | \$ -                   | T8                      |
| 43.1       | Certain Energy-Efficient Electrical Generating Equipment                   | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 30%    | \$ -            | \$ -                   | T8                      |
| 43.2       | Certain Clean Energy Generation Equipment                                  | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 50%    | \$ -            | \$ -                   | T8                      |
| 45         | Computers & Systems Software acq'd post Mar 22/04                          | H8                      | \$ 504.00                     |               |                      | \$ 504                       | \$ -                                         | \$ 504         | 45%    | \$ 227          | \$ 277                 | T8                      |
| 46         | Data Network Infrastructure Equipment (acq'd post Mar 22/04)               | H8                      | \$ 11,403.00                  |               |                      | \$ 11,403                    | \$ -                                         | \$ 11,403      | 30%    | \$ 3,421        | \$ 7,982               | T8                      |
| 47         | Distribution System - post February 2005                                   | H8                      | \$ 61,082,377.00              | \$ 3,900,246  |                      | \$ 64,982,623                | \$ 1,950,123                                 | \$ 63,032,500  | 8%     | \$ 5,042,600    | \$ 59,940,023          | T8                      |
| 50         | Data Network Infrastructure Equipment - post Mar 2007                      | H8                      | \$ 115,361.00                 |               |                      | \$ 115,361                   | \$ -                                         | \$ 115,361     | 55%    | \$ 63,449       | \$ 51,912              | T8                      |
| 52         | Computer Hardware and system software                                      | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 100%   | \$ -            | \$ -                   | T8                      |
| 95         | CWIP                                                                       | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 0%     | \$ -            | \$ -                   | T8                      |
| 14.1       | Eligible Capital Property (acq'd pre Jan 1, 2017) <sup>1</sup>             | H8                      | \$ -                          |               |                      | \$ -                         | \$ -                                         | \$ -           | 7%     | \$ -            | \$ -                   | T8                      |
| 14.1       | Eligible Capital Property (acq'd post Jan 1, 2017) <sup>1</sup>            | H8                      |                               |               |                      | \$ -                         | \$ -                                         | \$ -           | 5%     | \$ -            | \$ -                   | T8                      |
| 8          | General Office/Stores Equip - Enhanced CCA                                 |                         |                               | \$ 105,842    |                      | \$ 105,842                   | \$ 52,921                                    | \$ 158,763     | 20%    | \$ 31,753       | \$ 74,090              |                         |
| 10         | Computer Hardware/ Vehicles - Enhanced CCA                                 |                         |                               | \$ 700,972    |                      | \$ 700,972                   | \$ 350,486                                   | \$ 1,051,458   | 30%    | \$ 315,437      | \$ 385,535             |                         |
| 12         | Computer Software - Enhanced CCA                                           |                         |                               | \$ 104,622    |                      | \$ 104,622                   | \$ -                                         | \$ 104,622     | 100%   | \$ 104,622      | \$ -                   |                         |
| 47         | Distribution System - post February 2005 - Enhanced CCA                    |                         |                               | \$ 7,224,226  |                      | \$ 7,224,226                 | \$ 3,612,113                                 | \$ 10,836,339  | 8%     | \$ 866,907      | \$ 6,357,319           |                         |
| 50         | Data Network Infrastructure Equipment - post Mar 2007 - Enhanced CCA       |                         |                               | \$ 149,002    |                      | \$ 149,002                   | \$ 74,501                                    | \$ 223,502     | 55%    | \$ 122,926      | \$ 26,075              |                         |
|            |                                                                            |                         |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   |                         |
|            |                                                                            |                         |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   |                         |
|            |                                                                            |                         |                               |               |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -            | \$ -                   |                         |
|            | TOTAL                                                                      |                         | \$ 85,706,059                 | \$ 12,184,910 | \$ -                 | \$ 97,890,969                | \$ 2,139,898                                 | \$ 100,030,867 |        | \$ 8,114,700    | \$ 89,776,269          | B1                      |

1. New CCA class 14.1 effective January 1, 2017. The class includes property that was eligible capital property immediately before January 1, 2017. For tax years that end prior to 2027, transitional rules apply to class 14.1 that were acquired before January 1, 2017

# Income Tax/PILs Workform for 2019 Filers

## Schedule 13 Tax Reserves - Bridge Year

### Continuity of Reserves

| Description                                                                     | Reference | Historical Utility Only | Eliminate Amounts Not Relevant for Bridge Year | Adjusted Utility Balance | Bridge Year Adjustments |           | Balance for Bridge Year | Change During the Year | Disallowed Expenses |
|---------------------------------------------------------------------------------|-----------|-------------------------|------------------------------------------------|--------------------------|-------------------------|-----------|-------------------------|------------------------|---------------------|
|                                                                                 |           |                         |                                                |                          | Additions               | Disposals |                         |                        |                     |
| Capital Gains Reserves ss.40(1)                                                 | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| <b>Tax Reserves Not Deducted for accounting purposes</b>                        |           |                         |                                                |                          |                         |           |                         |                        |                     |
| Reserve for doubtful accounts ss. 20(1)(l)                                      | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Reserve for goods and services not delivered ss. 20(1)(m)                       | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Reserve for unpaid amounts ss. 20(1)(n)                                         | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Debt & Share Issue Expenses ss. 20(1)(e)                                        | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Other tax reserves                                                              | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
|                                                                                 |           | 0                       |                                                | 0                        |                         |           | 0                       |                        | 0                   |
|                                                                                 |           | 0                       |                                                | 0                        |                         |           | 0                       |                        | 0                   |
| <b>Total</b>                                                                    |           | 0                       | 0                                              | 0                        | B1                      | 0         | 0                       | B1                     | 0                   |
| <b>Financial Statement Reserves (not deductible for Tax Purposes)</b>           |           |                         |                                                |                          |                         |           |                         |                        |                     |
| General Reserve for Inventory Obsolescence (non-specific)                       | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| General reserve for bad debts                                                   | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Accrued Employee Future Benefits:                                               | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| - Medical and Life Insurance                                                    | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| - Short & Long-term Disability                                                  | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| - Accumulated Sick Leave                                                        | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| - Termination Cost                                                              | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| - Other Post-Employment Benefits                                                | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Provision for Environmental Costs                                               | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Restructuring Costs                                                             | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Accrued Contingent Litigation Costs                                             | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Accrued Self-Insurance Costs                                                    | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Other Contingent Liabilities                                                    | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)              | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Other                                                                           | H13       | 0                       |                                                | 0                        |                         |           | 0                       | T13                    | 0                   |
| Pension and OPEB                                                                | H13       | 4,636,206               |                                                | 4,636,206                | 1,184,596               | 499,053   | 5,321,749               |                        | 685,543             |
|                                                                                 |           | 0                       |                                                | 0                        |                         |           | 0                       |                        | 0                   |
| <b>Total</b>                                                                    |           | 4,636,206               | 0                                              | 4,636,206                | B1                      | 1,184,596 | 499,053                 | B1                     | 685,543             |



# Income Tax/PILs Workform for 2019 Filers

## PILs Tax Provision - Test Year

### Regulatory Taxable Income

|                     | Tax Rate | Small Business Rate<br>(If Applicable) | Taxes Payable | Effective Tax Rate |          |
|---------------------|----------|----------------------------------------|---------------|--------------------|----------|
| Ontario (Max 11.5%) | 11.5%    | 11.5%                                  | \$ 106,525    | 11.5%              | <b>B</b> |
| Federal (Max 15%)   | 15.0%    | 15.0%                                  | \$ 138,946    | 15.0%              | <b>C</b> |

Combined effective tax rate (Max 26.5%)

### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

### Total Tax Credits

### Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>

Income Tax (grossed-up)

### Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

### Wires Only

[T1](#) \$ 926,305 **A**

26.50% **D = B + C**

\$ 245,471 **E = A \* D**

\$ - **F**

\$ - **G**

\$ - **H = F + G**

\$ 245,471 **I = E - H**

[S. Summary](#)

73.50% **J = 1-D** \$ 88,503 **K = I/J-I**

\$ 333,974 **L = K + I**

[S. Summary](#)

# Income Tax/PILs Workform for 2019 Filers

**Taxable Income - Test Year**

[illegible]



|                                                                          |     |            |                   |
|--------------------------------------------------------------------------|-----|------------|-------------------|
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
| <b>Total Additions</b>                                                   |     |            | <b>10,179,723</b> |
| <b>Deductions:</b>                                                       |     |            |                   |
| Gain on disposal of assets per financial statements                      | 401 |            |                   |
| Dividends not taxable under section 83                                   | 402 |            |                   |
| Capital cost allowance from Schedule 8                                   | 403 | T8         | 8,237,522         |
| Terminal loss from Schedule 8                                            | 404 |            |                   |
| Allowable business investment loss                                       | 406 |            |                   |
| Deferred and prepaid expenses                                            | 409 |            |                   |
| Scientific research expenses claimed in year                             | 411 |            |                   |
| Tax reserves end of year                                                 | 413 | T13        | 0                 |
| Reserves from financial statements - balance at beginning of year        | 414 | T13        | 5,321,749         |
| Contributions to deferred income plans                                   | 416 |            |                   |
| Book income of joint venture or partnership                              | 305 |            |                   |
| Equity in income from subsidiary or affiliates                           | 306 |            |                   |
| Other deductions: (Please explain in detail the nature of the item)      |     |            |                   |
| Interest capitalized for accounting deducted for tax                     | 390 |            |                   |
| Capital Lease Payments                                                   | 391 |            |                   |
| Non-taxable imputed interest income on deferral and variance accounts    | 392 |            |                   |
| 1                                                                        | 393 |            |                   |
| 1                                                                        | 394 |            |                   |
| 1                                                                        | 395 |            |                   |
| 1                                                                        | 396 |            |                   |
| 1                                                                        | 397 |            |                   |
| ARO Payments - Deductible for Tax when Paid                              |     |            |                   |
| ITA 13(7.4) Election - Capital Contributions Received                    |     |            |                   |
| ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds      |     |            |                   |
| Deferred Revenue - ITA 20(1)(m) reserve                                  |     |            |                   |
| Principal portion of lease payments                                      |     |            |                   |
| Lease Inducement Book Amortization credit to income                      |     |            |                   |
| Financing fees for tax ITA 20(1)(e) and (e.1)                            |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
|                                                                          |     |            |                   |
| <b>Total Deductions</b>                                                  |     | calculated | <b>13,559,271</b> |
| <b>NET INCOME FOR TAX PURPOSES</b>                                       |     | calculated | <b>926,305</b>    |
| Charitable donations                                                     | 311 |            |                   |
| Taxable dividends received under section 112 or 113                      | 320 |            |                   |
| Non-capital losses of preceding taxation years from Schedule 7-1         | 331 | T4         | 0                 |
| Net-capital losses of preceding taxation years (Please show calculation) | 332 | T4         | 0                 |
| Limited partnership losses of preceding taxation years from Schedule 4   | 335 |            |                   |
|                                                                          |     |            |                   |
| <b>REGULATORY TAXABLE INCOME</b>                                         |     | calculated | <b>926,305</b>    |

T0



# Income Tax/PILs Workform for 2019 Filers

## Schedule 7-1 Loss Carry Forward - Test Year

### Corporation Loss Continuity and Application

|                                                                                            | Working Paper Reference | Total | Non-Distribution Portion | Utility Balance |
|--------------------------------------------------------------------------------------------|-------------------------|-------|--------------------------|-----------------|
| <b>Non-Capital Loss Carry Forward Deduction</b>                                            |                         |       |                          |                 |
| Actual/Estimated Bridge Year Carried Forward                                               | <u>B4</u>               | 0     |                          | 0               |
| <b>Amount to be used in Test Year and Price Cap Years</b>                                  | <u>T1</u>               | 0     |                          | 0               |
| Number of years loss until next cost of service (i.e. years the loss is to be spread over) |                         |       |                          |                 |
| <b>Amount to be used in Test Year</b>                                                      | calculated              | 0     |                          | 0               |
| Loss Carry Forward Generated in Test Year (if any)                                         | <u>T1</u>               | 0     |                          | 0               |
| Other Adjustments                                                                          |                         |       |                          | 0               |
| Balance available for use in Future Years                                                  | calculated              | 0     |                          | 0               |

|                                                                                            |           | Total | Non-Distribution Portion | Utility Balance |
|--------------------------------------------------------------------------------------------|-----------|-------|--------------------------|-----------------|
| <b>Net Capital Loss Carry Forward Deduction</b>                                            |           |       |                          |                 |
| Actual/Estimated Bridge Year Carried Forward                                               | <u>B4</u> | 0     |                          | 0               |
| <b>Amount to be used in Test Year and Price Cap Years</b>                                  |           |       |                          | 0               |
| Number of years loss until next cost of service (i.e. years the loss is to be spread over) |           |       |                          |                 |
| <b>Amount to be used in Test Year</b>                                                      | <u>T1</u> | 0     |                          | 0               |
| Loss Carry Forward Generated in Test Year (if any)                                         |           |       |                          | 0               |
| Other Adjustments                                                                          |           |       |                          | 0               |
| Balance available for use in Future Years                                                  |           | 0     |                          | 0               |

# Income Tax/PILs Workform for 2019 Filers

## Schedule 8 CCA - Test Year

| Class      | Class Description                                                      | Working Paper Reference | UCC Test Year Opening Balance | Additions    | Disposals (Negative) | UCC Before 1/2 Yr Adjustment | 1/2 Year Rule (1/2 Additions Less Disposals) | Reduced UCC    | Rate % | Test Year CCA | UCC End of Test Year |
|------------|------------------------------------------------------------------------|-------------------------|-------------------------------|--------------|----------------------|------------------------------|----------------------------------------------|----------------|--------|---------------|----------------------|
| 1          | Distribution System - post 1987                                        | B8                      | \$ 21,507,194                 |              |                      | \$ 21,507,194                | \$ -                                         | \$ 21,507,194  | 4%     | \$ 860,288    | \$ 20,646,906        |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election                   | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 6%     | \$ -          | \$ -                 |
| 2          | Distribution System - pre 1988                                         | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 6%     | \$ -          | \$ -                 |
| 8          | General Office/Stores Equip                                            | B8                      | \$ 360,062                    |              |                      | \$ 360,062                   | \$ -                                         | \$ 360,062     | 20%    | \$ 72,012     | \$ 288,049           |
| 10         | Computer Hardware/ Vehicles                                            | B8                      | \$ 1,065,800                  |              |                      | \$ 1,065,800                 | \$ -                                         | \$ 1,065,800   | 30%    | \$ 319,740    | \$ 746,060           |
| 10.1       | Certain Automobiles                                                    | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 30%    | \$ -          | \$ -                 |
| 12         | Computer Software                                                      | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 100%   | \$ -          | \$ -                 |
| 13.1       | Lease # 1                                                              | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -          | \$ -                 |
| 13.2       | Lease #2                                                               | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -          | \$ -                 |
| 13.3       | Lease # 3                                                              | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -          | \$ -                 |
| 13.4       | Lease # 4                                                              | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -          | \$ -                 |
| 14         | Franchise                                                              | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           |        | \$ -          | \$ -                 |
| 17         | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 8%     | \$ -          | \$ -                 |
| 42         | Fibre Optic Cable                                                      | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 12%    | \$ -          | \$ -                 |
| 43.1       | Certain Energy-Efficient Electrical Generating Equipment               | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 30%    | \$ -          | \$ -                 |
| 43.2       | Certain Clean Energy Generation Equipment                              | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 50%    | \$ -          | \$ -                 |
| 45         | Computers & Systems Software acq'd post Mar 22/04                      | B8                      | \$ 277                        |              |                      | \$ 277                       | \$ -                                         | \$ 277         | 45%    | \$ 125        | \$ 152               |
| 46         | Data Network Infrastructure Equipment (acq'd post Mar 22/04)           | B8                      | \$ 7,982                      |              |                      | \$ 7,982                     | \$ -                                         | \$ 7,982       | 30%    | \$ 2,395      | \$ 5,587             |
| 47         | Distribution System - post February 2005                               | B8                      | \$ 59,940,023                 |              |                      | \$ 59,940,023                | \$ -                                         | \$ 59,940,023  | 8%     | \$ 4,795,202  | \$ 55,144,821        |
| 50         | Data Network Infrastructure Equipment - post Mar 2007                  | B8                      | \$ 51,912                     |              |                      | \$ 51,912                    | \$ -                                         | \$ 51,912      | 55%    | \$ 28,552     | \$ 23,361            |
| 52         | Computer Hardware and system software                                  | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 100%   | \$ -          | \$ -                 |
| 95         | CWIP                                                                   | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 0%     | \$ -          | \$ -                 |
| 14.1       | Eligible Capital Property (acq'd pre Jan 1, 2017) <sup>1</sup>         | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 7%     | \$ -          | \$ -                 |
| 14.1       | Eligible Capital Property (acq'd post Jan 1, 2017) <sup>1</sup>        | B8                      | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 5%     | \$ -          | \$ -                 |
|            |                                                                        |                         | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 0%     | \$ -          | \$ -                 |
| 8          | General Office/Stores Equip - Enhanced CCA                             |                         | \$ 74,090                     | 104,899      |                      | \$ 178,989                   | \$ 52,450                                    | \$ 231,438     | 20%    | \$ 46,288     | \$ 132,701           |
| 10         | Computer Hardware/ Vehicles - Enhanced CCA                             |                         | \$ 385,535                    | 740,557      |                      | \$ 1,126,092                 | \$ 370,278                                   | \$ 1,496,370   | 30%    | \$ 448,911    | \$ 677,181           |
| 12         | Computer Software - Enhanced CCA                                       |                         | \$ -                          | 72,651       |                      | \$ 72,651                    | \$ -                                         | \$ 72,651      | 100%   | \$ 72,651     | \$ -                 |
| 47         | Distribution System - post February 2005 - Enhanced CCA                |                         | \$ 6,357,319                  | 7,340,231    |                      | \$ 13,697,550                | \$ 3,670,116                                 | \$ 17,367,666  | 8%     | \$ 1,389,413  | \$ 12,308,137        |
| 50         | Data Network Infrastructure Equipment - post Mar 2007 - Enhanced CCA   |                         | \$ 26,075                     | 227,400      |                      | \$ 253,475                   | \$ 113,700                                   | \$ 367,175     | 55%    | \$ 201,946    | \$ 51,529            |
|            |                                                                        |                         | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 0%     | \$ -          | \$ -                 |
|            |                                                                        |                         | \$ -                          |              |                      | \$ -                         | \$ -                                         | \$ -           | 0%     | \$ -          | \$ -                 |
|            | TOTAL                                                                  |                         | \$ 89,776,269                 | \$ 8,485,738 | \$ -                 | \$ 98,262,007                | \$ 4,206,544                                 | \$ 102,468,551 |        | \$ 8,237,522  | \$ 90,024,485        |

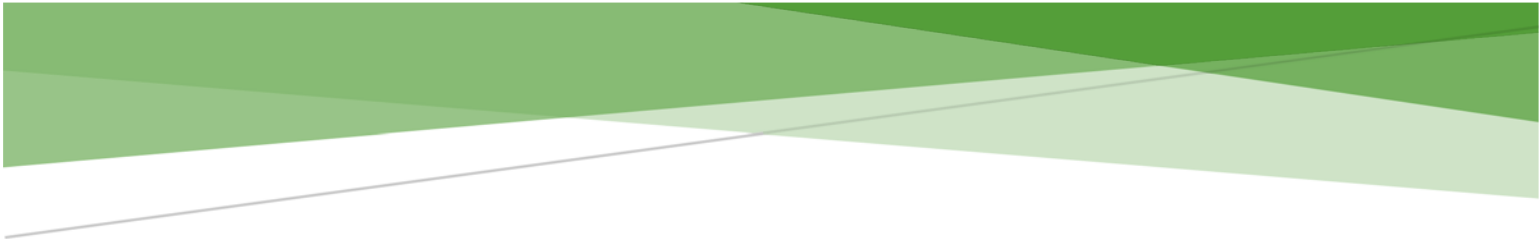
1. New CCA class 14.1 effective January 1, 2017. The class includes property that was eligible capital property immediately before January 1, 2017. For tax years that end prior to 2027, transitional rules apply to class 14.1 that were acquired before January 1, 2017

# Income Tax/PILs Workform for 2019 Filers

## Schedule 13 Tax Reserves - Test Year

### Continuity of Reserves

| Description                                                                     | Working Paper Reference | Bridge Year | Eliminate Amounts Not Relevant for Bridge Year | Adjusted Utility Balance | Test Year Adjustments |           | Balance for Test Year | Change During the Year | Disallowed Expenses |
|---------------------------------------------------------------------------------|-------------------------|-------------|------------------------------------------------|--------------------------|-----------------------|-----------|-----------------------|------------------------|---------------------|
|                                                                                 |                         |             |                                                |                          | Additions             | Disposals |                       |                        |                     |
| Capital Gains Reserves ss.40(1)                                                 | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| <b>Tax Reserves Not Deducted for accounting purposes</b>                        |                         |             |                                                |                          |                       |           |                       |                        |                     |
| Reserve for doubtful accounts ss. 20(1)(l)                                      | B13                     | 0           |                                                | 0                        | 0                     | 0         | 0                     | 0                      |                     |
| Reserve for goods and services not delivered ss. 20(1)(m)                       | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Reserve for unpaid amounts ss. 20(1)(n)                                         | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Debt & Share Issue Expenses ss. 20(1)(e)                                        | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Other tax reserves                                                              | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
|                                                                                 |                         | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
|                                                                                 |                         | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| <b>Total</b>                                                                    |                         | 0           | 0                                              | 0                        | T1                    | 0         | 0                     | T1                     | 0                   |
| <b>Financial Statement Reserves (not deductible for Tax Purposes)</b>           |                         |             |                                                |                          |                       |           |                       |                        |                     |
| General Reserve for Inventory Obsolescence (non-specific)                       | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| General reserve for bad debts                                                   | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Accrued Employee Future Benefits:                                               | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| - Medical and Life Insurance                                                    | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| - Short & Long-term Disability                                                  | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| - Accumulated Sick Leave                                                        | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| - Termination Cost                                                              | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| - Other Post-Employment Benefits                                                | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Provision for Environmental Costs                                               | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Restructuring Costs                                                             | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Accrued Contingent Litigation Costs                                             | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Accrued Self-Insurance Costs                                                    | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Other Contingent Liabilities                                                    | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)              | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Other                                                                           | B13                     | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| Pension and OPEB                                                                |                         | 5,321,749   |                                                | 5,321,749                | 802,047               | 511,288   | 5,612,508             | 290,759                |                     |
|                                                                                 |                         | 0           |                                                | 0                        |                       |           | 0                     | 0                      |                     |
| <b>Total</b>                                                                    |                         | 5,321,749   | 0                                              | 5,321,749                | T1                    | 802,047   | 5,612,508             | T1                     | 290,759             |



# Appendix 4F

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019

## Federal Tax Instalments

### Federal tax instalments

For the taxation year ended 2018-12-31

Business number 82249 4290 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/my-cra-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to 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    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-02-28    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-03-31    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-04-30    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-05-31    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-06-30    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-07-31    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-08-31    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-09-30    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-10-31    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-11-30    | 29,558                  |                                   |                  |                       | 29,558              |
| 2018-12-31    | 29,556                  |                                   |                  |                       | 29,556              |
|               |                         |                                   |                  |                       |                     |
|               |                         |                                   |                  |                       |                     |
|               |                         |                                   |                  |                       |                     |
| <b>Totals</b> | <b>354,694</b>          |                                   |                  |                       | <b>354,694</b>      |

### Quarterly instalment workchart

| Date          | Quarterly tax instalments | Refund transferred to instalments | Instalments paid | Cumulative difference | Instalments payable |
|---------------|---------------------------|-----------------------------------|------------------|-----------------------|---------------------|
| 2018-03-31    |                           |                                   |                  |                       |                     |
| 2018-06-30    |                           |                                   |                  |                       |                     |
| 2018-09-30    |                           |                                   |                  |                       |                     |
| 2018-12-31    |                           |                                   |                  |                       |                     |
|               |                           |                                   |                  |                       |                     |
|               |                           |                                   |                  |                       |                     |
|               |                           |                                   |                  |                       |                     |
| <b>Totals</b> |                           |                                   |                  |                       |                     |

### Instalment method

Indicate instalment method chosen [1-3] 1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

☐

**Quarterly instalments calculation**

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

- 1 – Is the corporation a Canadian-controlled private corporation (CCPC)? ☐ Yes ☒ No
- 2 – Did the corporation claim any deduction under the section 125, during either the current or previous year? ☐ Yes ☒ No
- 3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000? ☐ Yes ☐ No
- 4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000? ☐ Yes ☐ No
- 5 – Does the corporation have a perfect compliance history in the last 12 months? ☐ Yes ☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments. ☐**1 – 1st Instalment base method**

|                                             |                                     |               |
|---------------------------------------------|-------------------------------------|---------------|
| 1st Instalment base amount (amount N below) | $354,694 \div 12 =$                 | <u>29,558</u> |
|                                             | <b>Monthly instalments required</b> | <u>29,558</u> |
| Quarterly tax instalments required          | $354,694 \div 4 =$                  |               |

**2 – Combined 1st and 2nd instalment base method**Select this box if you want the first 2 payments\* to be calculated without taking the applicable threshold into account? ☐**2nd Monthly instalment base amount**

|                                                                |   |                                                      |                          |
|----------------------------------------------------------------|---|------------------------------------------------------|--------------------------|
| Indicate: Part I tax                                           |   | <u>176,908</u>                                       |                          |
| Part VI, VI.1 and XIII.1 tax                                   | + |                                                      |                          |
| Federal adjustment for amalgamation, winding up or transfer    | + |                                                      |                          |
| Provincial tax, other than Alberta, Québec and Ontario         | + |                                                      |                          |
| Ontario tax                                                    | + | <u>135,087</u>                                       |                          |
| Provincial adjustment for amalgamation, winding up or transfer | + |                                                      |                          |
| <b>Total</b>                                                   | = | $311,995 \div 12 =$                                  | <u>26,000</u> <b>A</b>   |
| 1/12 of estimated current year credits (M below /12)           |   |                                                      |                          |
|                                                                |   | <b>Each of the first two instalment payments</b>     | = <u>26,000</u> <b>B</b> |
| Total tax from N below                                         |   | <u>354,694</u>                                       |                          |
| Amount B above x 2                                             | – | <u>52,000</u>                                        |                          |
|                                                                | = | $302,694 \div 10 =$                                  | <u>30,270</u>            |
|                                                                |   | <b>Each of the remaining ten instalment payments</b> | = <u>30,270</u>          |

**2nd Quarterly instalment base amount**

|                                                                |   |                                                        |                        |
|----------------------------------------------------------------|---|--------------------------------------------------------|------------------------|
| Indicate: Part I tax                                           |   | <u>176,908</u>                                         |                        |
| Part VI, VI.1 and XIII.1 tax                                   | + |                                                        |                        |
| Federal adjustment for amalgamation, winding up or transfer    | + |                                                        |                        |
| Provincial tax, other than Alberta, Québec and Ontario         | + |                                                        |                        |
| Ontario tax                                                    | + | <u>135,087</u>                                         |                        |
| Provincial adjustment for amalgamation, winding up or transfer | + |                                                        |                        |
| <b>Total</b>                                                   | = | $311,995 \div 4 =$                                     | <u>77,999</u> <b>A</b> |
| 1/4 of estimated current year credits (M below /4)             |   |                                                        |                        |
|                                                                |   | <b>The first instalment payment</b>                    | = <u></u> <b>B</b>     |
| Total tax from N below                                         |   | <u>354,694</u>                                         |                        |
| Amount B above                                                 | – |                                                        |                        |
|                                                                | = | $354,694 \div 3 =$                                     | <u>118,232</u>         |
|                                                                |   | <b>Each of the remaining three instalment payments</b> | = <u></u>              |

\* It is the first payment if the quarterly instalments are applicable.

**3 – Estimated tax method**

|                                         |                                     |  |
|-----------------------------------------|-------------------------------------|--|
| Instalment base amount (amount N below) | $\div 12 =$                         |  |
|                                         | <b>Monthly instalments required</b> |  |
| Quarterly tax instalments required      | $\div 4 =$                          |  |

## Instalment base calculation

### Federal tax

|                                                                                                                         | 1st instalment<br>base method | Estimated<br>tax method |            |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------|------------|
| <b>Taxable income</b>                                                                                                   | <u>1,338,469</u>              |                         |            |
| <b>Calculation of tax payable</b>                                                                                       |                               |                         |            |
| Federal part I tax                                                                                                      | 508,618                       |                         |            |
| Recapture of investment tax credit                                                                                      | +                             | +                       |            |
| Refundable tax on a CCPC's investment income                                                                            | +                             | +                       |            |
| <b>Subtotal</b>                                                                                                         | <u>= 508,618</u>              | <u>=</u>                | <b>A</b>   |
| <b>Deduction</b>                                                                                                        |                               |                         |            |
| Small business deduction                                                                                                |                               |                         |            |
| Investment corporation deduction                                                                                        | +                             | +                       |            |
| Federal tax abatement                                                                                                   | +                             | +                       |            |
| Manufacturing and processing profits deduction                                                                          | +                             | +                       |            |
| Non-business foreign tax credit                                                                                         | +                             | +                       |            |
| Business foreign tax credit                                                                                             | +                             | +                       |            |
| General tax reduction                                                                                                   | +                             | +                       |            |
| Logging tax credit                                                                                                      | +                             | +                       |            |
| Investment tax credit per Schedule 31                                                                                   | +                             | +                       |            |
| Eligible Canadian bank deduction                                                                                        | +                             | +                       |            |
| Qualifying environmental trust tax credit                                                                               | +                             | +                       |            |
| <b>Subtotal</b>                                                                                                         | <u>= 307,848</u>              | <u>=</u>                | <b>B</b>   |
| <b>Federal tax summary</b>                                                                                              |                               |                         |            |
| Total part I tax payable (A minus B)                                                                                    | 200,770                       |                         | <b>C</b>   |
| Part VI tax                                                                                                             | +                             | +                       | <b>D</b>   |
| Part VI.1 tax                                                                                                           | +                             | +                       | <b>E1</b>  |
| Part XIII.1 tax                                                                                                         | +                             | +                       | <b>E2</b>  |
| Parts I, VI, VI.1 and XIII.1                                                                                            | <b>Total</b> <u>= 200,770</u> | <u>=</u>                | <b>F</b>   |
| <b>Federal adjustments</b>                                                                                              |                               |                         |            |
| Adjustment for short taxation years multiplied by 365 and<br>divided by the number of days in the year if less than 365 | x <u>365 / 365</u>            | x <u>365 / 365</u>      |            |
| <b>Subtotal</b>                                                                                                         | <u>= 200,770</u>              | <u>=</u>                |            |
| Federal adjustment for amalgamation, winding up or transfer                                                             | +                             | +                       | <b>N/A</b> |
| <b>Total federal tax after adjustments</b>                                                                              | <u>= 200,770</u>              | <u>=</u>                | <b>G</b>   |

### Provincial tax

|                                                                                                                         |                    |                    |            |
|-------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------|
| Provincial/territorial tax other than Alberta, Québec and Ontario<br>before provincial refundable tax credits           | +                  | +                  | <b>H</b>   |
| <b>Ontario tax</b>                                                                                                      |                    |                    |            |
| Income tax                                                                                                              | 153,924            |                    |            |
| Corporate minimum tax paid (credited)                                                                                   | +                  |                    |            |
| Special additional tax on life insurance corporations                                                                   | +                  |                    |            |
| <b>Total Ontario tax</b>                                                                                                | <u>= 153,924</u>   | <u>+</u>           | <b>I</b>   |
| Harmonized provincial tax (H + I)                                                                                       |                    |                    |            |
| <b>Provincial/territorial tax other than Alberta and Québec<br/>before provincial refundable tax credits</b>            | <u>= 153,924</u>   | <u>=</u>           | <b>J</b>   |
| <b>Provincial adjustments</b>                                                                                           |                    |                    |            |
| Adjustment for short taxation years multiplied by 365 and<br>divided by the number of days in the year if less than 365 | x <u>365 / 365</u> | x <u>365 / 365</u> |            |
| <b>Subtotal</b>                                                                                                         | <u>= 153,924</u>   | <u>=</u>           |            |
| Provincial adjustment for amalgamation, winding up or transfer                                                          | +                  | +                  | <b>N/A</b> |
| <b>Total provincial tax after adjustments</b>                                                                           | <u>= 153,924</u>   | <u>=</u>           | <b>K</b>   |
| <b>Total of tax before refundable credits**</b>                                                                         | <u>= 354,694</u>   | <u>=</u>           | <b>L</b>   |



Instalment base calculation (continued)

|                                                                                       |   |                |            |
|---------------------------------------------------------------------------------------|---|----------------|------------|
| <b>Estimated current year credits</b>                                                 |   |                |            |
| Investment tax credit refund                                                          |   |                |            |
| Dividend refund                                                                       | + |                | +          |
| Federal capital gains refund                                                          | + |                | +          |
| Provincial and territorial capital gains refund                                       | + |                | +          |
| Tax withheld at source                                                                | + |                | +          |
| Other estimated credits                                                               | + |                | +          |
| Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario* | + |                | +          |
| Ontario refundable tax credits*                                                       | + |                | +          |
| <b>Total estimated current year credits</b>                                           | = |                | = <b>M</b> |
| <b>Instalment base amount (L – M)</b>                                                 |   | <b>354,694</b> | <b>N</b>   |

\* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

\*\* For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds \$3,000. The same rule applies to line K.

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](http://canada.ca/taxes) or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 Do not use this area

Identification

Business number (BN)00182249 4290 RC0001

Corporation's name002Algoma Power Inc.

Address of head office

Has this address changed since the last time we were notified?0101 Yes2 NoX

If yes, complete lines 011 to 018.

0112 Sackville Road

012

CityProvince, territory, or state015Sault Ste Marie016ON

Country (other than Canada)Postal or ZIP code017P6B 6J6018

Mailing address (if different from head office address)

Has this address changed since the last time we were notified?0201 Yes2 NoX

If yes, complete lines 021 to 028.

021c/o FortisOntario

0221130 Bertie Street

023PO Box 1218

CityProvince, territory, or state025Fort Erie026ON

Country (other than Canada)Postal or ZIP code027L2A 5Y2028

Location of books and records (if different from head office address)

Has this address changed since the last time we were notified?0301 Yes2 NoX

If yes, complete lines 031 to 038.

0311130 Bertie Street

032PO Box 1218

CityProvince, territory, or state035Fort Erie036ON

Country (other than Canada)Postal or ZIP code037CA038L2A 5Y2

040Type 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 change043

Year Month Day

To which tax year does this return apply?

Tax year startYear Month Day0602017-01-01061Tax year-endYear Month Day2017-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?0631 Yes2 NoX

If yes, provide the date control was acquired065Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?0661 Yes2 NoX

Is the corporation a professional corporation that is a member of a partnership?0671 Yes2 NoX

Is this the first year of filing after:

Incorporation?0701 Yes2 NoX

Amalgamation?0711 Yes2 NoX

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?0721 Yes2 NoX

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation?0761 Yes2 NoX

Is this the final return up to dissolution?0781 Yes2 NoX

If an election was made under section 261, state the functional currency used079

Is the corporation a resident of Canada?0801 YesX2 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?0821 Yes2 NoX

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

095096098

**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? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                     | <b>150</b> <input checked="" type="checkbox"/> | 9        |
| Is the corporation an associated CCPC? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>160</b> <input type="checkbox"/>            | 23       |
| Is the corporation an associated CCPC that is claiming the expenditure limit? . . . . .                                                                                                                                                                                                                                                                                                                                                                             | <b>161</b> <input type="checkbox"/>            | 49       |
| Does the corporation have any non-resident shareholders who own voting shares? . . . . .                                                                                                                                                                                                                                                                                                                                                                            | <b>151</b> <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 . . . . .                                                                                                                                                                                                             | <b>162</b> <input type="checkbox"/>            | 11       |
| If you answered <b>yes</b> 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? . . . . .                                                                                                                                                                                                                                  | <b>163</b> <input type="checkbox"/>            | 44       |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? . . . . .                                                                                                                                                                                                                                                                                                                                                | <b>164</b> <input type="checkbox"/>            | 14       |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan? . . . . .                                                                                                                                                                                                                                                                                                                                                                  | <b>165</b> <input type="checkbox"/>            | 15       |
| Is the corporation claiming a loss or deduction from a tax shelter? . . . . .                                                                                                                                                                                                                                                                                                                                                                                       | <b>166</b> <input type="checkbox"/>            | T5004    |
| Is the corporation a member of a partnership for which a partnership account number has been assigned? . . . . .                                                                                                                                                                                                                                                                                                                                                    | <b>167</b> <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)? . . . . .                                                                                                                                                                                      | <b>168</b> <input type="checkbox"/>            | 22       |
| Did the corporation own any shares in one or more foreign affiliates in the tax year? . . . . .                                                                                                                                                                                                                                                                                                                                                                     | <b>169</b> <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 <i>Income Tax Regulations</i> ? . . . . .                                                                                                                                                                                                                                                                                                            | <b>170</b> <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? . . . . .                                                                                                                                                                                                                                                                                                                               | <b>171</b> <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? . . . . .                                                                                                                                                                                                                                                                                                             | <b>173</b> <input type="checkbox"/>            | 50       |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? . . . . .                                                                                                                                                                                                                                                                                                                               | <b>172</b> <input type="checkbox"/>            |          |
| Does the corporation earn income from one or more Internet webpages or websites? . . . . .                                                                                                                                                                                                                                                                                                                                                                          | <b>180</b> <input type="checkbox"/>            | 88       |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? . . . . .                                                                                                                                                                                                                                                                                                                                      | <b>201</b> <input checked="" type="checkbox"/> | 1        |
| Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine? . . . . .                                                                                                                                                                                                                                                                                                                                        | <b>202</b> <input checked="" type="checkbox"/> | 2        |
| Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? . . . . .                                                                                                                                                                                                                                                                                                                                             | <b>203</b> <input type="checkbox"/>            | 3        |
| Is the corporation claiming any type of losses? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                           | <b>204</b> <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? . . . . .                                                                                                                                                                                                                                                                                                               | <b>205</b> <input type="checkbox"/>            | 5        |
| Has the corporation realized any capital gains or incurred any capital losses during the tax year? . . . . .                                                                                                                                                                                                                                                                                                                                                        | <b>206</b> <input 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)? . . . . .                                                                                                                                                                                                                                                                                                   | <b>207</b> <input type="checkbox"/>            | 7        |
| Does the corporation have any property that is eligible for capital cost allowance? . . . . .                                                                                                                                                                                                                                                                                                                                                                       | <b>208</b> <input checked="" type="checkbox"/> | 8        |
| Does the corporation have any property that is eligible capital property? . . . . .                                                                                                                                                                                                                                                                                                                                                                                 | <b>210</b> <input type="checkbox"/>            | 10       |
| Does the corporation have any resource-related deductions? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                | <b>212</b> <input type="checkbox"/>            | 12       |
| Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)? . . . . .                                                                                                                                                                                                                                                                                                                                                    | <b>213</b> <input type="checkbox"/>            | 13       |
| Is the corporation claiming a patronage dividend deduction? . . . . .                                                                                                                                                                                                                                                                                                                                                                                               | <b>216</b> <input type="checkbox"/>            | 16       |
| Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? . . . . .                                                                                                                                                                                                                                                                                                                             | <b>217</b> <input type="checkbox"/>            | 17       |
| Is the corporation an investment corporation or a mutual fund corporation? . . . . .                                                                                                                                                                                                                                                                                                                                                                                | <b>218</b> <input type="checkbox"/>            | 18       |
| Is the corporation carrying on business in Canada as a non-resident corporation? . . . . .                                                                                                                                                                                                                                                                                                                                                                          | <b>220</b> <input type="checkbox"/>            | 20       |
| Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits? . . . . .                                                                                                                                                                                                                                                                                                                              | <b>221</b> <input type="checkbox"/>            | 21       |
| Does the corporation have any Canadian manufacturing and processing profits? . . . . .                                                                                                                                                                                                                                                                                                                                                                              | <b>227</b> <input type="checkbox"/>            | 27       |
| Is the corporation claiming an investment tax credit? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                     | <b>231</b> <input type="checkbox"/>            | 31       |
| Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures? . . . . .                                                                                                                                                                                                                                                                                                                                                    | <b>232</b> <input type="checkbox"/>            | T661     |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? . . . . .                                                                                                                                                                                                                                                                                                                                        | <b>233</b> <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? . . . . .                                                                                                                                                                                                                                                                                                                                     | <b>234</b> <input checked="" type="checkbox"/> |          |
| Is the corporation subject to gross Part VI tax on capital of financial institutions? . . . . .                                                                                                                                                                                                                                                                                                                                                                     | <b>238</b> <input type="checkbox"/>            | 38       |
| Is the corporation claiming a Part I tax credit? . . . . .                                                                                                                                                                                                                                                                                                                                                                                                          | <b>242</b> <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? . . . . .                                                                                                                                                                                                                                                                                                                         | <b>243</b> <input type="checkbox"/>            | 43       |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? . . . . .                                                                                                                                                                                                                                                                                                                                                                             | <b>244</b> <input type="checkbox"/>            | 45       |
| Is the corporation subject to Part II – Tobacco Manufacturers' surtax? . . . . .                                                                                                                                                                                                                                                                                                                                                                                    | <b>249</b> <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? . . . . .                                                                                                                                                                                                                                                                                               | <b>250</b> <input type="checkbox"/>            | 39       |
| Is the corporation claiming a Canadian film or video production tax credit refund? . . . . .                                                                                                                                                                                                                                                                                                                                                                        | <b>253</b> <input type="checkbox"/>            | T1131    |
| Is the corporation claiming a film or video production services tax credit refund? . . . . .                                                                                                                                                                                                                                                                                                                                                                        | <b>254</b> <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.) . . . . .                                                                                                                                                                                                                                                                                                                                      | <b>255</b> <input type="checkbox"/>            | 92       |

## Attachments (continued)

|                                                                                                                                                                   |     | Yes                      | Schedule |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------|----------|
| Did the corporation have any foreign affiliates in the tax year?                                                                                                  | 271 | <input 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? | 259 | <input type="checkbox"/> | T1135    |
| Did the corporation transfer or loan property to a non-resident trust?                                                                                            | 260 | <input type="checkbox"/> | T1141    |
| Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?                                                           | 261 | <input type="checkbox"/> | T1142    |
| Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?                                                             | 262 | <input type="checkbox"/> | T1145    |
| Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?                                          | 263 | <input type="checkbox"/> | T1146    |
| Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?                            | 264 | <input type="checkbox"/> | T1174    |
| Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?                                                                   | 265 | <input type="checkbox"/> | 55       |
| Has the corporation made an election under subsection 89(11) not to be a CCPC?                                                                                    | 266 | <input type="checkbox"/> | T2002    |
| Has the corporation revoked any previous election made under subsection 89(11)?                                                                                   | 267 | <input 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?      | 268 | <input 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?                             | 269 | <input 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 type="checkbox"/> | 2 No <input checked="" 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 | Electricity                    | 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 GIFL                           | 300 | 1,392,884 | A   |
| <b>Deduct:</b>                                                                                                        |     |           |     |
| Charitable donations from Schedule 2                                                                                  | 311 | 54,415    |     |
| Cultural gifts from Schedule 2                                                                                        | 313 |           |     |
| Ecological gifts from Schedule 2                                                                                      | 314 |           |     |
| Gifts of medicine made before March 22, 2017, from Schedule 2                                                         | 315 |           |     |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3                           | 320 |           |     |
| Part VI.1 tax deduction*                                                                                              | 325 |           |     |
| Non-capital losses of previous tax years from Schedule 4                                                              | 331 |           |     |
| Net capital losses of previous tax years from Schedule 4                                                              | 332 |           |     |
| Restricted farm losses of previous tax years from Schedule 4                                                          | 333 |           |     |
| Farm losses of previous tax years from Schedule 4                                                                     | 334 |           |     |
| Limited partnership losses of previous tax years from Schedule 4                                                      | 335 |           |     |
| Taxable capital gains or taxable dividends allocated from a central credit union                                      | 340 |           |     |
| Prospector's and grubstaker's shares                                                                                  | 350 |           |     |
| Subtotal                                                                                                              |     | 54,415    | B   |
| Subtotal (amount A <b>minus</b> amount B) (if negative, enter "0")                                                    |     | 1,338,469 | C   |
| Section 110.5 additions or subparagraph 115(1)(a)(vii) additions                                                      | 355 |           | D   |
| <b>Taxable income</b> (amount C <b>plus</b> amount D)                                                                 | 360 | 1,338,469 |     |
| Income exempt under paragraph 149(1)(t)                                                                               | 370 |           |     |
| <b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 <b>minus</b> line 370) |     | 1,338,469 | Z   |
| <b>Taxable income</b> for the year from a personal services business                                                  |     |           | Z.1 |

\* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7

400

A

Taxable income from line 360 on page 3, **minus** 100/28 ( 3.57143 ) of the amount on line 632\* on page 7,  
**minus** 4 times the amount on line 636\*\* on page 7, and **minus** any amount that, because of  
federal law, is exempt from Part I tax

405

B

Business limit (see notes 1 and 2 below)

410

C

Notes:

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

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C x 

415

\*\*\*

D

 = 

11,250

E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0")

425

F

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)

G

Amount F **minus** amount G

427

H

Small business deduction

Amount A, B, C, or H,  
whichever is the least x 

Number of days in the tax year  
before January 1, 2018

365

 x 17.5 % = 

1

Amount A, B, C, or H,  
whichever is the least x 

Number of days in the tax year after  
December 31, 2017, and before January 1, 2019

365

 x 18 % = 

2

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

430

I

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

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

\*\*\* Large corporations

If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.

If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.

For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

Specified corporate income and assignment under subsection 125(3.2)

Applicable to tax years that begin after March 21, 2016

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

| J1<br>Name of corporation receiving the<br>income and assigned amount | J<br>Business number of<br>the corporation<br>receiving the<br>assigned amount | K<br>Income paid under<br>clause 125(1)(a)(i)(B) to the<br>corporation identified in<br>column J <sup>3</sup> | L<br>Business limit assigned to<br>corporation identified in<br>column J <sup>4</sup> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                                                       | <div>490</div>                                                                 | <div>500</div>                                                                                                | <div>505</div>                                                                        |
| 1.                                                                    |                                                                                |                                                                                                               |                                                                                       |
| Total <div>510</div>                                                  |                                                                                | Total <div>515</div>                                                                                          |                                                                                       |

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if  
(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and  
(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to  
(I) persons (other than the private corporation) with which the corporation deals at arm's length, or  
(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.

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

**General tax reduction for Canadian-controlled private corporations****Canadian-controlled private corporations throughout the tax year**

|                                                                                                  |                  |   |
|--------------------------------------------------------------------------------------------------|------------------|---|
| Taxable income from page 3 (line 360 or amount Z, whichever applies)                             | _____            | A |
| Lesser of amounts 9B and 9H from Part 9 of Schedule 27                                           | _____            | B |
| Amount 13K from Part 13 of Schedule 27                                                           | _____            | C |
| Personal services business income                                                                | <b>432</b> _____ | D |
| Amount used to calculate the credit union deduction (amount F from Schedule 17)                  | _____            | E |
| Amount from line 400, 405, 410, or 427 on page 4, whichever is the least                         | _____            | F |
| Aggregate investment income from line 440 on page 6*                                             | _____            | G |
| Subtotal (add amounts B to G)                                                                    | <b>▶</b> _____   | H |
| Amount A minus amount H (if negative, enter "0")                                                 | _____            | I |
| General tax reduction for Canadian-controlled private corporations – Amount I multiplied by 13 % | _____            | J |

Enter amount J on line 638 on page 7.

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

**General tax reduction**

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

|                                                                                 |                  |           |   |
|---------------------------------------------------------------------------------|------------------|-----------|---|
| Taxable income from page 3 (line 360 or amount Z, whichever applies)            | _____            | 1,338,469 | 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                                               | <b>434</b> _____ |           | N |
| Amount used to calculate the credit union deduction (amount F from Schedule 17) | _____            |           | O |
| Subtotal (add amounts L to O)                                                   | <b>▶</b> _____   |           | P |
| Amount K minus amount P (if negative, enter "0")                                | _____            | 1,338,469 | Q |
| General tax reduction – Amount Q multiplied by 13 %                             | _____            | 174,001   | R |

Enter amount R on line 639 on page 7.

**Refundable portion of Part I tax****Canadian-controlled private corporations throughout the tax year**Aggregate investment income from Schedule 7 ..... **440** ..... x 30 2 / 3 % = ..... A

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

**Deduct:**Foreign investment income from Schedule 7 ..... **445** ..... x 8 % = ..... CSubtotal (amount B minus amount C) (if negative, enter "0") .....  ..... DAmount A minus amount D (if negative, enter "0") ..... ..... E

Taxable income from line 360 on page 3 ..... F

**Deduct:**

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

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

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

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

Subtotal (amount F minus amount J) (if negative, enter "0") ..... K x 30 2 / 3 % = ..... L

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8) ..... ..... M**Refundable portion of Part I tax** – Amount E, L, or M, whichever is the least ..... **450** ..... ..... N**Refundable dividend tax on hand**Refundable dividend tax on hand at the end of the previous tax year ..... **460** .....**Deduct:** Dividend refund for the previous tax year ..... **465** .....Subtotal .....  ..... O**Add the total of:**

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

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

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ..... **480** .....Subtotal .....  ..... R**Refundable dividend tax on hand at the end of the tax year** – Amount O plus amount R ..... **485** ..... .....**Dividend refund****Private and subject corporations at the time taxable dividends were paid in the tax year**

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

Refundable dividend tax on hand at the end of the tax year from line 485 above ..... ..... T**Dividend refund** – Amount S or T, whichever is less ..... ..... U

Enter amount U on line 784 on page 8.

**Part I tax**Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % . . . . . **550** 508,618 A**Additional tax on personal services business income** (section 123.5)Taxable income from a personal services business . . . . . **555** x 5 % = **560** BRecapture of investment tax credit from Schedule 31 . . . . . **602** C**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 . . . . . D

Taxable income from line 360 on page 3 . . . . . 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) ▶ G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G . . . . . **604** H

Subtotal (add amounts A, B, C, and H) 508,618 I

**Deduct:**

Small business deduction from line 430 on page 4 . . . . . J

Federal tax abatement . . . . . **608** 133,847Manufacturing and processing profits deduction from Schedule 27 . . . . . **616**Investment corporation deduction . . . . . **620**Taxed capital gains **624**Additional deduction – credit unions from Schedule 17 . . . . . **628**Federal foreign non-business income tax credit from Schedule 21 . . . . . **632**Federal foreign business income tax credit from Schedule 21 . . . . . **636**General tax reduction for CCPCs from amount J on page 5 . . . . . **638**General tax reduction from amount R on page 5 . . . . . **639** 174,001Federal logging tax credit from Schedule 21 . . . . . **640**Eligible Canadian bank deduction under section 125.21 . . . . . **641**Federal qualifying environmental trust tax credit . . . . . **648**Investment tax credit from Schedule 31 . . . . . **652**

Subtotal 307,848 ▶ 307,848 K

**Part I tax payable** – Amount I minus amount K . . . . . 200,770 L

Enter amount L on line 700 on page 8.

**Privacy statement**

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



Summary of tax and credits

Federal tax

|                                            |     |         |
|--------------------------------------------|-----|---------|
| Part I tax payable from amount L on page 7 | 700 | 200,770 |
| Part II surtax payable from Schedule 46    | 708 |         |
| Part III.1 tax payable from Schedule 55    | 710 |         |
| Part IV tax payable from Schedule 3        | 712 |         |
| Part IV.1 tax payable from Schedule 43     | 716 |         |
| Part VI tax payable from Schedule 38       | 720 |         |
| Part VI.1 tax payable from Schedule 43     | 724 |         |
| Part XIII.1 tax payable from Schedule 92   | 727 |         |
| Part XIV tax payable from Schedule 20      | 728 |         |
| Total federal tax                          |     | 200,770 |

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)

Total tax payable 760 153,924  
770 354,694 A

Deduct other credits:

|                                                                   |     |         |
|-------------------------------------------------------------------|-----|---------|
| Investment tax credit refund from Schedule 31                     | 780 |         |
| Dividend refund from amount U on page 6                           | 784 |         |
| Federal capital gains refund from Schedule 18                     | 788 |         |
| Federal qualifying environmental trust tax credit refund          | 792 |         |
| Canadian film or video production tax credit refund (Form T1131)  | 796 |         |
| Film or video production services tax credit refund (Form T1177)  | 797 |         |
| Tax withheld at source                                            | 800 |         |
| Total payments on which tax has been withheld                     | 801 |         |
| Provincial and territorial capital gains refund from Schedule 18  | 808 |         |
| Provincial and territorial refundable tax credits from Schedule 5 | 812 |         |
| Tax instalments paid                                              | 840 | 354,694 |
| Total credits                                                     | 890 | 354,694 |

Refund code 894 1 Overpayment

Balance (amount A minus amount B)

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☐

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

920

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](https://canada.ca/payments).

Certification

I, 950 King 951 Glen 954 Chief Financial Officer

Last name First name Position, office, or rank

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

955 2018-08-20 956 (905) 871-0330

Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below

957 1 Yes ☐ 2 No ☒ 959 (905) 871-0330

958 Harry Clutterbuck Name of other authorized person Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Schedule of Instalment Remittances

Name of corporation contact  
Telephone number

Harry Clutterbuck  
(905) 871-0330

| Effective interest date                                                             | Description (instalment remittance, split payment, assessed credit) | Amount of credit |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------|
| 2017-01-31                                                                          | Federal Installment                                                 | 26,000           |
| 2017-02-28                                                                          | Federal Installment                                                 | 26,000           |
| 2017-03-31                                                                          | Federal Installment                                                 | 26,000           |
| 2017-04-30                                                                          | Federal Installment                                                 | 26,000           |
| 2017-05-31                                                                          | Federal Installment                                                 | 26,000           |
| 2017-06-30                                                                          | Federal Installment                                                 | 26,000           |
| 2017-07-31                                                                          | Federal Installment                                                 | 26,000           |
| 2017-08-31                                                                          | Federal Installment                                                 | 26,000           |
| 2017-09-30                                                                          | Federal Installment                                                 | 26,000           |
| 2017-10-31                                                                          | Federal Installment                                                 | 26,000           |
| 2017-11-30                                                                          | Federal Installment                                                 | 26,000           |
| 2017-12-31                                                                          | Federal Installment                                                 | 26,000           |
| 2018-06-27                                                                          | From FortisOntario Inc. - 10076 8985 RC0001                         | 42,694           |
| Total amount of instalments claimed (carry the result to line 840 of the T2 Return) |                                                                     | 354,694 A        |
| Total instalments credited to the taxation year per T9                              |                                                                     | 354,694 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 – GIFI**

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

**Balance sheet information**

| Account                   | Description                                                           | GIFI          | Current year       | Prior year         |
|---------------------------|-----------------------------------------------------------------------|---------------|--------------------|--------------------|
| <b>Assets</b>             |                                                                       |               |                    |                    |
|                           | Total current assets . . . . .                                        | <b>1599</b> + | 12,811,839         | 13,869,663         |
|                           | Total tangible capital assets . . . . .                               | <b>2008</b> + | 152,967,184        | 146,444,572        |
|                           | Total accumulated amortization of tangible capital assets . . . . .   | <b>2009</b> – | 62,240,489         | 59,843,304         |
|                           | Total intangible capital assets . . . . .                             | <b>2178</b> + | 23,714,149         | 23,647,770         |
|                           | Total accumulated amortization of intangible capital assets . . . . . | <b>2179</b> – | 6,950,294          | 6,212,118          |
|                           | Total long-term assets . . . . .                                      | <b>2589</b> + | 432,607            | 454,025            |
|                           | * Assets held in trust . . . . .                                      | <b>2590</b> + |                    |                    |
|                           | <b>Total assets</b> (mandatory field) . . . . .                       | <b>2599</b> = | <u>120,734,996</u> | <u>118,360,608</u> |
| <b>Liabilities</b>        |                                                                       |               |                    |                    |
|                           | Total current liabilities . . . . .                                   | <b>3139</b> + | 15,021,041         | 6,187,561          |
|                           | Total long-term liabilities . . . . .                                 | <b>3450</b> + | 61,335,098         | 61,424,132         |
|                           | * Subordinated debt . . . . .                                         | <b>3460</b> + |                    |                    |
|                           | * Amounts held in trust . . . . .                                     | <b>3470</b> + |                    |                    |
|                           | <b>Total liabilities</b> (mandatory field) . . . . .                  | <b>3499</b> = | <u>76,356,139</u>  | <u>67,611,693</u>  |
| <b>Shareholder equity</b> |                                                                       |               |                    |                    |
|                           | <b>Total shareholder equity</b> (mandatory field) . . . . .           | <b>3620</b> + | 44,378,857         | 50,748,915         |
|                           | <b>Total liabilities and shareholder equity</b> . . . . .             | <b>3640</b> = | <u>120,734,996</u> | <u>118,360,608</u> |
| <b>Retained earnings</b>  |                                                                       |               |                    |                    |
|                           | <b>Retained earnings/deficit – end</b> (mandatory field) . . . . .    | <b>3849</b> = | <u>371,076</u>     | <u>6,741,134</u>   |

\* Generic item

Canada Revenue  
AgencyAgence du revenu  
du Canada

## SCHEDULE 125

Form identifier 125

## GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

## Income statement information

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

| Account | Description | GIFI | Current year | Prior year |
|---------|-------------|------|--------------|------------|
|---------|-------------|------|--------------|------------|

## Income statement information

|                                                   |               |                   |                   |
|---------------------------------------------------|---------------|-------------------|-------------------|
| Total sales of goods and services . . . . .       | 8089 +        | 45,723,852        | 47,908,654        |
| Cost of sales . . . . .                           | 8518 -        | 33,125,573        | 35,192,246        |
| <b>Gross profit/loss . . . . .</b>                | <b>8519 =</b> | <b>12,598,279</b> | <b>12,716,408</b> |
| Cost of sales . . . . .                           | 8518 +        | 33,125,573        | 35,192,246        |
| Total operating expenses . . . . .                | 9367 +        | 8,221,676         | 8,134,530         |
| <b>Total expenses (mandatory field) . . . . .</b> | <b>9368 =</b> | <b>41,347,249</b> | <b>43,326,776</b> |
| Total revenue (mandatory field) . . . . .         | 8299 +        | 45,452,553        | 47,889,546        |
| Total expenses (mandatory field) . . . . .        | 9368 -        | 41,347,249        | 43,326,776        |
| <b>Net non-farming income . . . . .</b>           | <b>9369 =</b> | <b>4,105,304</b>  | <b>4,562,770</b>  |

## Farming income statement information

|                                                 |               |  |  |
|-------------------------------------------------|---------------|--|--|
| Total farm revenue (mandatory field) . . . . .  | 9659 +        |  |  |
| Total farm expenses (mandatory field) . . . . . | 9898 -        |  |  |
| <b>Net farm income . . . . .</b>                | <b>9899 =</b> |  |  |

|                                                                       |               |                  |                  |
|-----------------------------------------------------------------------|---------------|------------------|------------------|
| <b>Net income/loss before taxes and extraordinary items . . . . .</b> | <b>9970 =</b> | <b>4,105,304</b> | <b>4,562,770</b> |
|-----------------------------------------------------------------------|---------------|------------------|------------------|

|                                                   |               |  |  |
|---------------------------------------------------|---------------|--|--|
| <b>Total other comprehensive income . . . . .</b> | <b>9998 =</b> |  |  |
|---------------------------------------------------|---------------|--|--|

## 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 -        | 355,073          | 311,560          |
| Future (deferred) income tax provision . . . . .                                       | 9995 -        | 120,289          | 129,343          |
| Total – Other comprehensive income . . . . .                                           | 9998 +        |                  |                  |
| <b>Net income/loss after taxes and extraordinary items (mandatory field) . . . . .</b> | <b>9999 =</b> | <b>3,629,942</b> | <b>4,121,867</b> |

Notes Checklist

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax Year End<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

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

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

Does the accountant have a professional designation? . . . . . 095 Yes ☒ 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<br>Increase (decrease) |            | In OCI<br>Increase (decrease) |
|--------------------------------|------------|--------------------------------------|------------|-------------------------------|
| Property, plant, and equipment | <b>210</b> |                                      | <b>211</b> |                               |
| Intangible assets              | <b>215</b> |                                      | <b>216</b> |                               |
| Investment property            | <b>220</b> |                                      |            |                               |
| Biological assets              | <b>225</b> |                                      |            |                               |
| Financial instruments          | <b>230</b> |                                      | <b>231</b> |                               |
| Other                          | <b>235</b> |                                      | <b>236</b> |                               |

### 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.

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**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

1. Basis of accounting and summary of significant accounting policies

Incorporation

Algoma Power Inc. ("API" or the "Company") is engaged in the distribution of electricity to the area adjacent to Sault Ste. Marie, Ontario and is subject to the regulations of the Ontario Energy Board ("OEB").

API operated as a division of Great Lakes Power Limited ("GLPL") from January 1, 2009 to June 30, 2009. In order to comply with Section 71 of OEB regulatory requirements, GLPL split out its distribution division by creating a separate legal entity called Great Lakes Power Distribution Inc. ("GLPDI"). This entity began operating as a separate legal entity effective July 1, 2009. On October 8, 2009, there was a change of control as Fortis Ontario Inc.

(the "Parent") acquired 100% of the shares of GLPDI and changed the name to Algoma Power Inc.

(a) Basis of accounting

These financial statements have been prepared in accordance with the accounting standards for private enterprises ("ASPE"), as per Part II of the CPA Handbook - Accounting, which constitutes generally accepted accounting principles for non-publicly accountable enterprises in Canada.

(b) Significant accounting policies Regulation

The distribution rates of API are based upon cost-of-service rate regulation by the OEB. Earnings are regulated on the basis of a rate of return on rate base plus a recovery of all allowable distribution costs of API.

API is subject to Ontario Regulation 335/07, which is the Rural and Remote Rate Protection subsidy program ("RRRP"). The RRRP is calculated as the deficiency between the approved revenue requirement from the OEB and current customer distribution rates adjusted for the average rate increase across the Province of Ontario. API qualifies for this subsidy because it has less than

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**Tax Year Start: 2017-01-01**

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seven customers per kilometre and a service area that extends beyond 10,000 kilometres. All general service and large customer classes have been reclassified as residential class under Ontario Regulation 445/07.

On August 14, 2015, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2016, based on 4GIRM. The OEB calculated the value of the inflation factor for incentive rate setting, for rate changes effective in 2016, to be 2.1%. The OEB assigned a stretch factor of 0.6% based on the updated benchmarking study for use for rates effective in 2016. The resulting net price cap index adjustment for API was 1.5% (i.e.  $2.1\% - (0\% + 0.6\%)$ ). The 1.5% adjustment applies to distribution rates [fixed and variable charges] uniformly for the Seasonal and Street Lighting customer classes. The OEB approved the application of the 1.8% RRRP adjustment factor to the distribution rates for the Residential R-1 and Residential R-2 classes. The OEB found that the amount of RRRP of \$13,678 for the year commencing January 1, 2016 accurately reflected the OEB's findings pursuant to the applicable regulations and approved a monthly payment of \$1,140 effective January 1, 2016.

1. Basis of accounting and summary of significant accounting policies  
(continued)

(b) Significant accounting policies (continued) Regulation (continued)  
Beginning with electricity distribution rates effective in 2016, decoupling of electricity distribution rates for the Residential customer class was being introduced; complete decoupling is expected to take eight consecutive years for residential customers and ten years for seasonal customers to fully implement.



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On August 12, 2016, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2017, based on 4GIRM. On

October 27, 2016, the OEB updated its inflation factor for 2017 Price Cap IR applications, and subsequently provided API with a calculation of the RRRP rate adjustment applicable to API's Residential customer classes. The net price cap index adjustments for API was updated to be 1.3% (i.e.  $1.9\% - (0\% + 0.6\%)$ ). This was based on a province-wide inflation factor of 1.9%, less productivity factor of 0% and stretch factor of 0.6%. The assignment of the stretch factors was determined by the OEB as a result of updates to its benchmarking analysis research. The rate increase applicable to Residential classes, based on the OEB's RRRP calculation is 2.96%. The OEB found that the amount of RRRP of \$13,499 for the year commencing January 1, 2017 accurately reflects the OEB's findings pursuant to the applicable regulations and approved a monthly payment of \$1,125 effective January 1, 2017.

On August 14, 2017, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2018, based on 4GIRM. The application includes Residential decoupling calculations in accordance with the

Board's Policy for transition to fully fixed rates. For the application, a stretch factor of 0.60% was approved based on the updated benchmarking study for rates effective in 2018. As a result, the net price cap index adjustment for API was 0.6% (i.e.  $1.2\% - (0\% + 0.6\%)$ ). The 0.6% adjustment will be applied to distribution rates for the Seasonal and Street Lighting customer classes, following other adjustments to reflect changes in cost allocation between classes resulting from the settlement agreement in API's 2015 Cost of Service application. A Rural and RRRP adjustment factor of 2.52% will be applied to the distribution rates for the Residential R-1 and Residential R-2

**Name: Algoma Power Inc.**

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**Tax Year Start: 2017-01-01**

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classes.

#### Materials and supplies

Materials and supplies are recorded at average cost. Materials and supplies expensed to operating expense in 2017 were \$43 (\$27 in 2016).

#### Utility capital assets and capitalization policy

Distribution assets are those used to distribute electricity at lower voltages (generally below 50 kilovolts). These assets include poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

#### 1. Basis of accounting and summary of significant accounting policies (continued)

##### (b) Significant accounting policies (continued)

##### Utility capital assets and capitalization policy (continued)

The service life range and average remaining service life of the utility capital assets are as follows:

##### Service life range

(years)

##### Average remaining service life (years)

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Distribution 10 to 50 37.3

Other 5 to 20 6.1

Utility capital assets are stated at cost less accumulated amortization.

Amortization is provided over the estimated useful lives of the utility capital assets using the

straight-line method at a composite rate 2.10% (2.08% in 2016)

Contributions in aid of construction represent funding of utility capital assets contributed by customers. These accounts are being reduced annually by an amount equal to the charge for amortization provided on the contributed portion of the assets involved.

#### Capitalization policy

The Company's capitalization policy is in accordance with the OEB's requirements to use a "modified IFRS" accounting basis. API, as permitted by the OEB, has recognized the financial differences arising as a result of the 2013 accounting changes to amortization expense and capitalization policies (Note 14).

#### Intangible assets

Intangible assets are stated at cost less accumulated amortization.

Amortization is provided over the estimated useful lives of the intangible assets using the straight-line method.

The service life range and average remaining service life of the intangible assets are as follows:

Service life range (years)

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**Tax Year Start: 2017-01-01**

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Average remaining service life (years)

Software costs 5 to 10 4.8

Land rights and other 40 to 50 29.7

#### Asset retirement obligations

ASPE requires the recognition of an asset retirement obligation in the period during which a legal obligation associated with the retirement of a tangible long-lived asset is incurred and when a reasonable estimate of this amount can be made.

The Company has determined that there are asset retirement obligations associated with some parts of its distribution systems; however, none of these are material requiring recognition under Section 3110 of the CPA Handbook.

#### 1. Basis of accounting and summary of significant accounting policies

(continued)

##### (b) Significant accounting policies (continued) Revenue recognition

Revenue from the distribution of electricity is recognized on the accrual basis. Electricity is metered upon delivery to customers and is recognized as revenue using approved rates when consumed. Meters are read periodically and bills are issued to customers based on these readings. At the end of the year, a certain amount of consumed electricity will not have been billed.

Electricity that is consumed but not yet billed to the customers is estimated and accrued as revenue in the current year.

Unbilled revenue included in accounts receivable as at December 31, 2017 is

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\$2,857 (\$3,337 in 2016).

#### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the balance sheet date. Gains and losses on translation are included in the statement of earnings. Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the transaction date.

#### Employee benefit plans

Effective January 1, 2014, the Company has adopted new CPA Handbook Section 3462, Employee Future Benefits, for its accounting of pension benefits and other retirement benefits. As allowed under new Section 3462, the Company has made an accounting policy choice to measure its defined benefit plan obligations using the funding valuation approach. This approach uses the most recent completed actuarial valuations prepared for funding purposes as the basis of measuring defined benefit plan obligations. Even though other retirement benefits are not funded, Section 3462 requires that such liabilities can be measured on a basis consistent with funded plans. As well, the Company is using a roll-forward technique in the years between valuations to estimate the defined benefit obligations. Pension plan assets are valued at fair value as of the balance sheet date.

The Company made an application to the OEB to continue to account for pension and other retirement benefits under the former Section 3461. In December 2013, the OEB issued a Decision and Order approving the establishment of specific variance accounts as of January 1, 2013 to recognize the difference in expense between Sections 3461 and 3462 as long-term regulatory assets or liabilities

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for 2013 and future years, which will be disposed of in future cost of service proceedings, subject to the OEB's prudence review at that time

#### Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities. Future tax assets and liabilities are measured using the enacted and the substantively enacted tax rates expected to apply to taxable income in the period in which temporary differences are expected to be recovered or settled. The Company recognizes regulatory assets and liabilities related to future income tax liabilities and assets for the amount of future income taxes expected to be recovered from customers in future electricity rates.

#### 1. Basis of accounting and summary of significant accounting policies

(continued)

##### (b) Significant accounting policies (continued) Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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**Tax Year Start: 2017-01-01**

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2. Utility capital assets

Utility capital assets consist of the following:

2017

Cost Accumulated  
amortization Net book  
value

Distribution Other \$

141,863

11,104 \$

55,326

6,914 \$

86,537

4,190

152,967 62,240 90,727

2016

Cost Accumulated  
amortization Net book

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value

\$ \$ \$

Distribution 136,070 53,392 82,678

Other 10,375 6,452 3,923

146,445 59,844 86,601

The amounts above include assets under construction, which are not subject to amortization, of \$2,011 (\$1,751 in 2016).

### 3. Intangible assets

Intangible assets consist of the following:

Land rights and right of ways Software costs

### 3. Intangible assets (continued)

2016

Cost Accumulated

amortization Net book

value



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\$ \$ \$

Land rights and right of ways 20,847 4,602 16,245

Softw are costs 2,801 1,610 1,191

23,648 6,212 17,436

#### 4. Employee future benefits

The Company maintains a defined benefit pension plan and a defined contribution pension plan providing pension benefits, and defined benefit plans providing other retirement benefits.

Information about API's benefit plans is as follows:

Pension benefit plans Other retirement plans

Accrued benefit obligation Balance, beginning of year

Current service costs Finance costs Employee contributions Benefits paid

Actuarial (gains) losses Balance, end of year

Plan assets

Fair value, beginning of year Interest income

Return on plan assets Contributions Benefits paid

Fair value, end of year

Funded status - plan surplus (deficit)

The measurement date for the plan assets and the accrued benefit obligation was as at December 31, 2017. The effective date of the most recent actuarial

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valuation was as at December 31, 2014 and the date of the next required valuation for funding purposes is as at December 31, 2017, and will be completed by September 2018.

4. Employee future benefits (continued)

The plan assets held at the measurement date are represented by the following categories:

Canadian equity funds Foreign equity funds Canadian fixed income funds

As at December 31, 2017, one of the defined benefit pension plans had a net accrued benefit liability of \$321 (\$350 in 2016). This plan had no plan assets in 2017 or 2016.

Pension benefit plans Other retirement plans

Significant assumptions used Discount rate, beginning of year Discount rate, end of year

Rate of compensation increase Initial health care trend rate Average remaining service of active employees (years)

Net benefit expense for the year Current service costs

Finance costs Remeasurement costs Regulatory adjustments

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Net benefit expense

The total expense for the Company's defined contribution pension plan for the year amounted to \$113 (\$122 in 2016).

#### 5. Income taxes

The provision for income taxes consists of the following:

Current income taxes Future income taxes

Future income taxes transferred to regulatory assets

During the year, the Company recorded \$843 in regulatory assets and a corresponding decrease to future income tax expense, for the amount of future income taxes expected to be collected from customers in future electricity rates.

#### 5. Income taxes (continued)

Future tax assets (liabilities) are comprised of the following:

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**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

Future tax assets (liabilities) Utility capital assets Employee future  
benefits Rate mitigation accrual Regulatory assets  
Other assets  
Net future tax liabilities

#### 6. Related party transactions

During the year, the Company entered into transactions with related parties  
summarized as follows:

Dividends paid to FortisOntario Inc. Interest paid to FortisOntario Inc.

Management fees paid to FortisOntario Inc.

Reimbursement for expenses paid on behalf of and services provided to  
FortisOntario Inc.

Administrative service fees from Canadian Niagara Power Inc.

Reimbursement for expenses paid on behalf of and services provided by Canadian  
Niagara Power Inc.

Reimbursement for expenses paid on behalf of and services provided by  
FortisOntario Inc.

Reimbursement for expenses paid on behalf of and services provided by Cornwall  
Street Railway,  
Light and Power Company Limited.

These transactions are in the normal course of operations and are measured at  
the exchange amount, which is the amount of consideration established and  
agreed to by the related parties.

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As at December 31, the amounts due from related parties are summarized as follows:

FortisOntario Inc.

6. Related party transactions (continued)

Details of relationships with related parties are as follows:

" FortisOntario Inc. owns a 100% interest in the capital stock of the Company

" Cornwall Street Railway, Light and Power Company Limited is a wholly owned subsidiary of FortisOntario Inc.

" Canadian Niagara Power Inc. is a wholly owned subsidiary of FortisOntario Inc.

7. Long-term debt

Long-term debt consists of the following:

5.118% senior unsecured notes due on December 16, 2041

Unamortized debt issue costs

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The senior unsecured notes bear interest at 5.118% and are repayable at maturity on December 16, 2041. The senior unsecured notes were issued on December 16, 2011 and interest is payable semi-annually. Interest expense for the year amounted to \$2,661 (\$2,661 in 2016).

#### 8. Capital stock

The authorized and issued shares consist of 90,831,810 common shares without par value.

#### 9. Amortization

Amortization consists of the following:

Amortization of utility capital assets Amortization of intangible assets  
Amortization of contributions in aid of construction Vehicle amortization  
allocated

#### 10. Statement of cash flows

The net change in non-cash working capital balances related to operations consists of the following:

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**Tax Year Start: 2017-01-01**

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Accounts receivable Income taxes receivable Materials and supplies Regulatory  
assets/ liabilities Prepaid expenses  
Due to/from related parties  
Accounts payable and accrued liabilities

Supplemental cash flow information:

Interest paid Income taxes paid

The restricted cash is a deposit held by the Ministry of Environment for a  
Certificate of Approval.

#### 11. Commitments and contingencies

API has a building lease agreement with Hydro One Sault Ste Marie LLP until  
December 31, 2019 with annual rent, operating costs and municipal taxes of  
\$600.

#### 12. Financial risk management

The Company is primarily exposed to credit risk, liquidity risk and market  
risk as a result of holding financial instruments in the normal course of  
business.

Credit risk - Risk that a third party to a financial instrument might fail to  
meet its obligations under the terms of the financial instrument.

**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

Liquidity risk - Risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Market risk - Risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

#### Credit risk

For cash and accounts receivable due from customers, API's credit risk is limited to the carrying value on the balance sheet.

API is exposed to credit risk from its distribution customers but has various policies to minimize this risk. These policies include requiring customer deposits, performing disconnections and using third-party collection agencies for overdue accounts. API has a large and diversified distribution customer base which minimizes the concentration of credit risk.

#### 12. Financial risk management (continued)

The aging of the Company's trade and other receivables due from customers is as follows:

Not past due

Past due 0-30 days Past due 31-60 days

Past due 61 days and over

Less allowance for doubtful accounts



**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

#### Liquidity risk

Liquidity risk to API is minimized since the financing of regulated capital and other expenditures is done through internally generated funds. These funds are a result of allowable rate regulated returns and recoveries under the OEB rate regulations mechanism.

API is a subsidiary of the Parent, which is a wholly owned 100% by Fortis Inc., a large investor owned utility, which has had the ability to raise sufficient and cost-effective financing. However, the ability to arrange financing on a go-forward basis is subject to numerous factors, including the results of operations and financial position of Fortis Inc. and its subsidiaries, conditions in the capital and bank credit markets, ratings assigned by rating agencies and general economic conditions.

To mitigate any liquidity risk, the Company is a party to a committed revolving credit facility and letters of credit facilities totaling \$40,000, of which \$18,700 is unused. This credit agreement is shared among the subsidiaries of the Parent and is renewed on an annual basis.

The facility is guaranteed by the Parent company and bear interest at the bankers' acceptance rate plus 1.20% in the case of bankers' acceptances and at the bank's prime lending rate plus 0.20% in the case of bank loans.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2017:

Accounts payable and accrued liabilities

Government remittances payable

Customer deposits Long-term debt

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**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

Interest rate risk

Long-term debt is at fixed interest rates thereby minimizing cash flow and interest rate fluctuation exposure. The Company is primarily subject to risks associated with fluctuating interest rates on its short-term borrowings. Short-term borrowings for 2017 and 2016 are nil.

### 13. Capital management

API manages its capital to approximate the deemed capital structure reflected in the utility's customer rates or anticipated future rates. API's distribution rates effective on January 1, 2015 are based on a deemed capital structure of 60% debt and 40% equity. API's capital structure consists of third-party debt and common equity, but excludes unamortized debt issue costs. The managed capital is as follows:

Debt Equity

### 14. Regulatory assets and liabilities

Regulatory liabilities net of regulatory assets arise as a result of regulatory requirements.

The Company pays the cost of power on behalf of its customers and recovers these costs through retail billings to its customers. The cost of power

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**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

includes charges for transmission, wholesale market operations and the power itself from Ontario's Independent Electricity System Operator. The balance of the retail settlement variance account represents the costs that have not been recovered from, or settled through, customers as of the balance sheet date.

The OEB's Distribution Rate Handbook and Accounting Procedures Handbook allow these costs to be deferred and recovered through future rate adjustments as discussed in note 1. In the absence of rate regulation, these costs would be expensed in the period they are incurred.

The OEB has the general power to include or exclude costs, revenues, gains or losses in the rates of a specific period, resulting in the timing of revenue and expense recognition that may differ in the Company's regulated operations from those otherwise expected in non-regulated businesses. This change in timing gives rise to the recognition of regulatory assets and liabilities. The Company continually assesses the likelihood of recovery of its regulatory assets and believes that its regulatory assets and liabilities will be factored into the setting of future rates as discussed in note 1. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.

As of December 31, 2015, as discussed in note 1 under "Utility capital assets and capitalization policy", API had a regulatory liability in OEB account 1576 of \$1,128. These were transitional adjustments related to accounting changes to amortization and capitalization policy. As a result of the 2015 OEB Decision and Order, API recorded an additional regulatory liability of \$93 in 2017, relating to the regulatory return calculated on the approved cumulative regulatory liability of \$1,379. A reduction of the regulatory liability of \$376 occurred during 2017 due to a repayment to API's customers in the form of a rate rider, which is set to expire in December 2019. The cumulative regulatory liability balance as at December 31, 2017 was \$560, of which

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\$385 has been reported as current.

14. Regulatory assets and liabilities (continued)

API recorded the following regulatory assets and liabilities as at December 31:

Current regulatory assets

Amounts approved in current rates

Long-term regulatory assets Amounts approved in current rates

Retail settlement and other variance accounts Future taxes to be recovered from customers Pension and other retirement benefits

Current regulatory liabilities Transitional accounting adjustments

Long-term regulatory liabilities

Retail settlement and other variance accounts Transitional accounting adjustments

**SCHEDULE 100**

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF**

Form identifier 100

|                     |                   |                                |
|---------------------|-------------------|--------------------------------|
| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.   | 82249 4290 RC0001 | 2017-12-31                     |

**Assets – lines 1000 to 2599**

|             |             |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>1000</b> | 784,555     | <b>1060</b> | 4,484,878   | <b>1120</b> | 126,117     |
| <b>1480</b> | 7,200,293   | <b>1484</b> | 215,996     | <b>1599</b> | 12,811,839  |
| <b>1600</b> | 710,903     | <b>1740</b> | 152,256,281 | <b>1741</b> | -62,240,489 |
| <b>2008</b> | 152,967,184 | <b>2009</b> | -62,240,489 | <b>2010</b> | 23,714,149  |
| <b>2011</b> | -6,950,294  | <b>2178</b> | 23,714,149  | <b>2179</b> | -6,950,294  |
| <b>2424</b> | 432,607     | <b>2589</b> | 432,607     | <b>2599</b> | 120,734,996 |

**Liabilities – lines 2600 to 3499**

|             |            |             |            |             |            |
|-------------|------------|-------------|------------|-------------|------------|
| <b>2620</b> | 4,303,836  | <b>2680</b> | 42,363     | <b>2860</b> | 10,419,270 |
| <b>2961</b> | 255,572    | <b>3139</b> | 15,021,041 | <b>3140</b> | 52,000,000 |
| <b>3240</b> | 3,555,598  | <b>3320</b> | 782,100    | <b>3321</b> | 4,997,400  |
| <b>3450</b> | 61,335,098 | <b>3499</b> | 76,356,139 |             |            |

**Shareholder equity – lines 3500 to 3640**

|             |             |             |         |             |            |
|-------------|-------------|-------------|---------|-------------|------------|
| <b>3500</b> | 44,007,781  | <b>3600</b> | 371,076 | <b>3620</b> | 44,378,857 |
| <b>3640</b> | 120,734,996 |             |         |             |            |

**Retained earnings – lines 3660 to 3849**

|             |           |             |           |             |             |
|-------------|-----------|-------------|-----------|-------------|-------------|
| <b>3660</b> | 6,741,134 | <b>3680</b> | 3,629,942 | <b>3701</b> | -10,000,000 |
| <b>3849</b> | 371,076   |             |           |             |             |

**SCHEDULE 125**

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF**

Form identifier 125

|                     |                   |                                |
|---------------------|-------------------|--------------------------------|
| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.   | 82249 4290 RC0001 | 2017-12-31                     |

**Description**

Sequence number . . . . . **0003** 01

**Revenue – lines 8000 to 8299**

|             |            |             |            |             |        |
|-------------|------------|-------------|------------|-------------|--------|
| <b>8000</b> | 45,723,852 | <b>8089</b> | 45,723,852 | <b>8094</b> | 21,380 |
| <b>8210</b> | -200,067   | <b>8230</b> | -92,978    | <b>8231</b> | 366    |
| <b>8299</b> | 45,452,553 |             |            |             |        |

**Cost of sales – lines 8300 to 8519**

|             |            |             |            |             |            |
|-------------|------------|-------------|------------|-------------|------------|
| <b>8320</b> | 22,304,577 | <b>8450</b> | 10,820,996 | <b>8518</b> | 33,125,573 |
| <b>8519</b> | 12,598,279 |             |            |             |            |

**Operating expenses – lines 8520 to 9369**

|             |            |             |           |             |           |
|-------------|------------|-------------|-----------|-------------|-----------|
| <b>8520</b> | 82,737     | <b>8523</b> | 48,077    | <b>8570</b> | 738,176   |
| <b>8590</b> | 48,062     | <b>8670</b> | 3,047,811 | <b>8690</b> | 78,621    |
| <b>8710</b> | 2,767,225  | <b>8860</b> | 1,103,212 | <b>9180</b> | 113,924   |
| <b>9200</b> | 66,744     | <b>9220</b> | 127,087   | <b>9367</b> | 8,221,676 |
| <b>9368</b> | 41,347,249 | <b>9369</b> | 4,105,304 |             |           |

**Extraordinary items and taxes – lines 9970 to 9999**

|             |           |             |         |             |         |
|-------------|-----------|-------------|---------|-------------|---------|
| <b>9970</b> | 4,105,304 | <b>9990</b> | 355,073 | <b>9995</b> | 120,289 |
| <b>9999</b> | 3,629,942 |             |         |             |         |

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125

3,629,942

A

Add:

|                                                                     |     |           |           |
|---------------------------------------------------------------------|-----|-----------|-----------|
| Provision for income taxes – current                                | 101 | 355,073   |           |
| Provision for income taxes – deferred                               | 102 | 120,289   |           |
| Amortization of tangible assets                                     | 104 | 3,047,811 |           |
| Amortization of intangible assets                                   | 106 | 738,176   |           |
| Loss on disposal of assets                                          | 111 | 200,067   |           |
| Charitable donations and gifts from Schedule 2                      | 112 | 54,415    |           |
| Non-deductible meals and entertainment expenses                     | 121 | 24,039    |           |
| Reserves from financial statements – balance at the end of the year | 126 | 4,133,183 |           |
| Subtotal of additions                                               |     | 8,673,053 | 8,673,053 |

Other additions:

|                    |     |        |  |
|--------------------|-----|--------|--|
| Debt issue expense | 208 | 16,632 |  |
|--------------------|-----|--------|--|

Miscellaneous other additions:

| 1<br>Description            | 2<br>Amount |           |           |
|-----------------------------|-------------|-----------|-----------|
| 605                         | 295         |           |           |
| Total of column 2           |             | 296       |           |
| Subtotal of other additions |             | 199       | 16,632    |
| Total additions             | 500         | 8,689,685 | 8,689,685 |

Amount A plus amount B

12,319,627

C

Deduct:

|                                                                           |     |            |            |
|---------------------------------------------------------------------------|-----|------------|------------|
| Capital cost allowance from Schedule 8                                    | 403 | 7,164,637  |            |
| Reserves from financial statements – balance at the beginning of the year | 414 | 3,762,106  |            |
| Subtotal of deductions                                                    |     | 10,926,743 | 10,926,743 |

Other deductions:

Miscellaneous other deductions:

| 1<br>Description             | 2<br>Amount |            |            |
|------------------------------|-------------|------------|------------|
| 705                          | 395         |            |            |
| Total of column 2            |             | 396        |            |
| Subtotal of other deductions |             | 499        | 0          |
| Total deductions             | 510         | 10,926,743 | 10,926,743 |

Net income (loss) for income tax purposes (amount C minus amount D)

1,392,884

E

Enter amount E on line 300 of the T2 return.

Charitable Donations and Gifts

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees;
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers;
  - the eligible amount of gifts of certified cultural property;
  - the eligible amount of gifts of certified ecologically sensitive land; or
  - the additional deduction for gifts of medicine made before March 22, 2017.
- All legislative references are to the federal *Income Tax Act*, unless otherwise specified.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts are eligible for a 5-year carryforward except for gifts of certified ecologically sensitive land made after February 10, 2014, which are eligible for a 10-year carryforward. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- A gift of medicine made before March 22, 2017 to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File a completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation – Income Tax Guide*.

Part 1 – Charitable donations

|                               |                                                  |
|-------------------------------|--------------------------------------------------|
| Charity/Recipient             | Amount (\$100 or more only)                      |
| Ontario Native Welfare        | 27,940                                           |
| United Way of Sault St. Marie | 12,600                                           |
| Golden Manor                  | 100                                              |
| Canada Helps Organization     | 450                                              |
| St. Joseph Island Museum      | 500                                              |
| Power of Pink Charity         | 100                                              |
| Algoma University             | 2,600                                            |
| Municipality of Wawa          | 10,000                                           |
|                               | Subtotal 54,290                                  |
|                               | Add: Total donations of less than \$100 each 125 |
|                               | Total donations in current tax year 54,415       |



## Part 1 – Charitable donations

|                                                                                                                                                                                                                                                                                                                                    | Federal           | Québec | Alberta |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------|---------|
| Charitable donations at the end of the previous tax year . . . . .                                                                                                                                                                                                                                                                 | 1A                |        |         |
| Charitable donations expired after five tax years* . . . . .                                                                                                                                                                                                                                                                       | <b>239</b>        |        |         |
| Charitable donations at the beginning of the current tax year<br>(amount 1A <b>minus</b> line 239) . . . . .                                                                                                                                                                                                                       | <b>240</b>        |        |         |
| Charitable donations transferred on an amalgamation or the<br>wind-up of a subsidiary . . . . .                                                                                                                                                                                                                                    | <b>250</b>        |        |         |
| Total charitable donations made in the current year . . . . .                                                                                                                                                                                                                                                                      | <b>210</b> 54,415 | 54,415 | 54,415  |
| Include on line 112 of Schedule 1 <i>Net Income (Loss) for Income Tax Purposes</i>                                                                                                                                                                                                                                                 |                   |        |         |
| Subtotal (line 250 <b>plus</b> line 210) . . . . .                                                                                                                                                                                                                                                                                 | 54,415 1B         | 54,415 | 54,415  |
| Subtotal (line 240 <b>plus</b> amount 1B) . . . . .                                                                                                                                                                                                                                                                                | 54,415 1C         | 54,415 | 54,415  |
| Adjustment for an acquisition of control . . . . .                                                                                                                                                                                                                                                                                 | <b>255</b>        |        |         |
| Total charitable donations available (amount 1C <b>minus</b> line 255) . . . . .                                                                                                                                                                                                                                                   | 54,415 1D         | 54,415 | 54,415  |
| Amount applied in the current year against taxable income<br>(cannot be more than amount 2H in Part 2) . . . . .                                                                                                                                                                                                                   | <b>260</b> 54,415 | 54,415 | 54,415  |
| Enter on line 311 of the T2 return                                                                                                                                                                                                                                                                                                 |                   |        |         |
| Charitable donations closing balance<br>(amount 1D <b>minus</b> line 260) . . . . .                                                                                                                                                                                                                                                | <b>280</b>        |        |         |
| The amount of qualifying donations for the Ontario community food<br>program donation tax credit for farmers included in line 260<br>(for donations made after December 31, 2013) . . . . .                                                                                                                                        | <b>262</b>        |        |         |
| Ontario community food program donation tax credit for farmers<br>(line 262 <b>multiplied by</b> 25 %) . . . . .                                                                                                                                                                                                                   | 1E                |        |         |
| Enter amount 1E on line 420 of Schedule 5, <i>Tax Calculation Supplementary – Corporations</i> . The maximum amount you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1E. For more information, see section 103.1.2 of the <i>Taxation Act, 2007</i> (Ontario).           |                   |        |         |
| The amount of qualifying donations for the Nova Scotia food bank tax<br>credit for farmers included in line 260 (for donations made<br>after December 31, 2015) . . . . .                                                                                                                                                          | <b>263</b>        |        |         |
| Nova Scotia food bank tax credit for farmers<br>(line 263 <b>multiplied by</b> 25 %) . . . . .                                                                                                                                                                                                                                     | 1F                |        |         |
| Enter amount 1F on line 570 of Schedule 5, <i>Tax Calculation Supplementary – Corporations</i> . The maximum amount you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 1F. For more information, see section 50A of the <i>Nova Scotia Income Tax Act</i> .            |                   |        |         |
| The amount of qualifying gifts for the British Columbia farmers' food<br>donation tax credit included in line 260 (for donations<br>made after February 16, 2016 and before January 1, 2019) . . . . .                                                                                                                             | <b>265</b>        |        |         |
| British Columbia farmers' food donation tax credit<br>(line 265 <b>multiplied by</b> 25 %) . . . . .                                                                                                                                                                                                                               | 1G                |        |         |
| Enter amount 1G on line 683 of Schedule 5, <i>Tax Calculation Supplementary – Corporations</i> . The maximum amount you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 1G. For more information, see section 20.1 of the <i>British Columbia Income Tax Act</i> . |                   |        |         |
| * 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 <sup>st</sup> prior year   | 2016-12-31 |         |        |         |
| 2 <sup>nd</sup> prior year   | 2015-12-31 |         |        |         |
| 3 <sup>rd</sup> prior year   | 2014-12-31 |         |        |         |
| 4 <sup>th</sup> prior year   | 2013-12-31 |         |        |         |
| 5 <sup>th</sup> prior year   | 2012-12-31 |         |        |         |
| 6 <sup>th</sup> prior year*  | 2011-12-31 |         |        |         |
| 7 <sup>th</sup> prior year   | 2010-12-31 |         |        |         |
| 8 <sup>th</sup> prior year   | 2009-12-31 |         |        |         |
| 9 <sup>th</sup> prior year   | 2009-10-08 |         |        |         |
| 10 <sup>th</sup> prior year  |            |         |        |         |
| 11 <sup>th</sup> prior year  |            |         |        |         |
| 12 <sup>th</sup> prior year  |            |         |        |         |
| 13 <sup>th</sup> prior year  |            |         |        |         |
| 14 <sup>th</sup> prior year  |            |         |        |         |
| 15 <sup>th</sup> prior year  |            |         |        |         |
| 16 <sup>th</sup> prior year  |            |         |        |         |
| 17 <sup>th</sup> prior year  |            |         |        |         |
| 18 <sup>th</sup> prior year  |            |         |        |         |
| 19 <sup>th</sup> prior year  |            |         |        |         |
| 20 <sup>th</sup> prior year  |            |         |        |         |
| 21 <sup>st</sup> prior year* |            |         |        |         |
| <b>Total (to line A)</b>     |            |         |        |         |

\* For federal and Alberta tax purposes, donations and gifts included on line 6<sup>th</sup> 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 6<sup>th</sup> prior year and donations and gifts that are included on line 21<sup>st</sup> prior year expire automatically in the current tax year.

**Part 2 – Maximum allowable deduction for charitable donations**

|                                                                                                                                                   |     |           |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----|
| Net income for tax purposes* multiplied by 75 %                                                                                                   |     | 1,044,663 | 2A |
| Taxable capital gains arising in respect of gifts of capital property included in Part 1 **                                                       | 225 |           |    |
| Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)                                           | 227 |           |    |
| The amount of the recapture of capital cost allowance in respect of charitable donations                                                          | 230 |           |    |
| Proceeds of disposition, less outlays and expenses**                                                                                              | 2B  |           |    |
| Capital cost**                                                                                                                                    | 2C  |           |    |
| Amount 2B or 2C, whichever is less                                                                                                                | 235 |           |    |
| Line 230 or 235, whichever is less                                                                                                                |     | 2D        |    |
| Subtotal (add lines 225, 227 and amount 2D)                                                                                                       |     | 2E        |    |
| Amount 2E multiplied by 25 %                                                                                                                      |     |           | 2F |
| Subtotal (amount 2A plus amount 2F)                                                                                                               |     | 1,044,663 | 2G |
| <b>Maximum allowable deduction for charitable donations</b> (amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is less) |     | 54,415    | 2H |

\* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

\*\* This amount must be prorated by the following calculation: eligible amount of the gift divided by the proceeds of disposition of the gift.

### Part 3 – Gifts of certified cultural property

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

\* 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 <sup>st</sup> prior year . . . . .   | <u>2016-12-31</u> |        |         |
| 2 <sup>nd</sup> prior year . . . . .   | <u>2015-12-31</u> |        |         |
| 3 <sup>rd</sup> prior year . . . . .   | <u>2014-12-31</u> |        |         |
| 4 <sup>th</sup> prior year . . . . .   | <u>2013-12-31</u> |        |         |
| 5 <sup>th</sup> prior year . . . . .   | <u>2012-12-31</u> |        |         |
| 6 <sup>th</sup> prior year* . . . . .  | <u>2011-12-31</u> |        |         |
| 7 <sup>th</sup> prior year . . . . .   | <u>2010-12-31</u> |        |         |
| 8 <sup>th</sup> prior year . . . . .   | <u>2009-12-31</u> |        |         |
| 9 <sup>th</sup> prior year . . . . .   | <u>2009-10-08</u> |        |         |
| 10 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 11 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 12 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 13 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 14 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 15 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 16 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 17 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 18 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 19 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 20 <sup>th</sup> prior year . . . . .  |                   |        |         |
| 21 <sup>st</sup> prior year* . . . . . |                   |        |         |
| <b>Total</b> . . . . .                 |                   |        |         |

\* For federal and Alberta tax purposes, donations and gifts included on line 6<sup>th</sup> 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 6<sup>th</sup> prior year and donations and gifts that are included on line 21<sup>st</sup> prior year expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

|                                                                                                                                                   | Federal | Québec | Alberta |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|---------|
| Gifts of certified ecologically sensitive land at the end of the previous tax year .                                                              | 4A      |        |         |
| Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014* . . . . . | 539     |        |         |
| Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A minus line 539) . . . . .                      | 540     |        |         |
| Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary . . . . .                            | 550     |        |         |
| Total current-year gifts of certified ecologically sensitive land made before February 11, 2014 (include on line 112 of Schedule 1) . . . . .     | 510     |        |         |
| Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include on line 112 of Schedule 1) . . . . .      | 520     |        |         |
| Subtotal (add lines 550, 510, and 520)                                                                                                            | 4B      |        |         |
| Subtotal (line 540 plus amount 4B)                                                                                                                | 4C      |        |         |
| Adjustment for an acquisition of control . . . . .                                                                                                | 555     |        |         |
| Amount applied in the current year against taxable income (enter on line 314 of the T2 return) . . . . .                                          | 560     |        |         |
| Subtotal (line 555 plus line 560)                                                                                                                 | 4D      |        |         |
| Gifts of certified ecologically sensitive land closing balance (amount 4C minus amount 4D) . . . . .                                              | 580     |        |         |

\* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

| Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date |       |            |         | . . . . . |        |         |
|---------------------------------------------------------------------------------------------------------|-------|------------|---------|-----------|--------|---------|
| Year of origin:                                                                                         |       |            | Federal |           | Québec | Alberta |
| 1 <sup>st</sup> prior year                                                                              | ..... | 2016-12-31 |         |           |        |         |
| 2 <sup>nd</sup> prior year                                                                              | ..... | 2015-12-31 |         |           |        |         |
| 3 <sup>rd</sup> prior year                                                                              | ..... | 2014-12-31 |         |           |        |         |
| 4 <sup>th</sup> prior year                                                                              | ..... | 2013-12-31 |         |           |        |         |
| 5 <sup>th</sup> prior year                                                                              | ..... | 2012-12-31 |         |           |        |         |
| 6 <sup>th</sup> prior year*                                                                             | ..... | 2011-12-31 |         |           |        |         |
| 7 <sup>th</sup> prior year                                                                              | ..... | 2010-12-31 |         |           |        |         |
| 8 <sup>th</sup> prior year                                                                              | ..... | 2009-12-31 |         |           |        |         |
| 9 <sup>th</sup> prior year                                                                              | ..... | 2009-10-08 |         |           |        |         |
| 10 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 11 <sup>th</sup> prior year*                                                                            | ..... |            |         |           |        |         |
| 12 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 13 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 14 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 15 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 16 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 17 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 18 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 19 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 20 <sup>th</sup> prior year                                                                             | ..... |            |         |           |        |         |
| 21 <sup>st</sup> prior year*                                                                            | ..... |            |         |           |        |         |
| <b>Total</b>                                                                                            | ..... |            |         |           |        |         |

\* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line 6<sup>th</sup> prior year and gifts that are included on line 11<sup>th</sup> 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 6<sup>th</sup> prior year and gifts that are included on line 21<sup>st</sup> prior year expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

|                                                                                                                                               | Federal | Québec | Alberta |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|---------|
| Additional deduction for gifts of medicine at the end of the previous tax year . . .                                                          | 5A      |        |         |
| Additional deduction for gifts of medicine expired after five tax years* . . .                                                                | 639     |        |         |
| Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A <b>minus</b> 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 <b>minus</b> line 601)                                                                                                     | 5B      |        |         |
| Amount 5B <b>multiplied</b> by 50 % . . . . .                                                                                                 | 5C      |        |         |
| Eligible amount of gifts . . . . .                                                                                                            | 600     |        |         |
| <b>Federal</b>                                                                                                                                |         |        |         |
| a _____ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . .                        | 610     |        |         |
| <b>Québec</b>                                                                                                                                 |         |        |         |
| a _____ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . .                        |         |        |         |
| <b>Alberta</b>                                                                                                                                |         |        |         |
| a _____ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . .                        |         |        |         |
| where:                                                                                                                                        |         |        |         |
| a is the <b>lesser</b> of line 601 and amount 5C                                                                                              |         |        |         |
| b is the eligible amount of gifts (line 600)                                                                                                  |         |        |         |
| c is the proceeds of disposition (line 602)                                                                                                   |         |        |         |
| Subtotal (line 650 <b>plus</b> line 610)                                                                                                      | 5D      |        |         |
| Subtotal (line 640 <b>plus</b> amount 5D)                                                                                                     | 5E      |        |         |
| Adjustment for an acquisition of control . . . . .                                                                                            | 655     |        |         |
| Amount applied in the current year against taxable income . . . . .                                                                           | 660     |        |         |
| Enter on line 315 of the T2 return                                                                                                            |         |        |         |
| Subtotal (line 655 <b>plus</b> line 660)                                                                                                      | 5F      |        |         |
| Additional deduction for gifts of medicine closing balance (amount 5E <b>minus</b> amount 5F) . . . . .                                       | 680     |        |         |

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

Amounts carried forward – Additional deduction for gifts of medicine

| Year of origin:              |            | Federal | Québec | Alberta |
|------------------------------|------------|---------|--------|---------|
| 1 <sup>st</sup> prior year   | 2016-12-31 |         |        |         |
| 2 <sup>nd</sup> prior year   | 2015-12-31 |         |        |         |
| 3 <sup>rd</sup> prior year   | 2014-12-31 |         |        |         |
| 4 <sup>th</sup> prior year   | 2013-12-31 |         |        |         |
| 5 <sup>th</sup> prior year   | 2012-12-31 |         |        |         |
| 6 <sup>th</sup> prior year*  | 2011-12-31 |         |        |         |
| 7 <sup>th</sup> prior year   | 2010-12-31 |         |        |         |
| 8 <sup>th</sup> prior year   | 2009-12-31 |         |        |         |
| 9 <sup>th</sup> prior year   | 2009-10-08 |         |        |         |
| 10 <sup>th</sup> prior year  |            |         |        |         |
| 11 <sup>th</sup> prior year  |            |         |        |         |
| 12 <sup>th</sup> prior year  |            |         |        |         |
| 13 <sup>th</sup> prior year  |            |         |        |         |
| 14 <sup>th</sup> prior year  |            |         |        |         |
| 15 <sup>th</sup> prior year  |            |         |        |         |
| 16 <sup>th</sup> prior year  |            |         |        |         |
| 17 <sup>th</sup> prior year  |            |         |        |         |
| 18 <sup>th</sup> prior year  |            |         |        |         |
| 19 <sup>th</sup> prior year  |            |         |        |         |
| 20 <sup>th</sup> prior year  |            |         |        |         |
| 21 <sup>st</sup> prior year* |            |         |        |         |
| Total                        |            |         |        |         |

\* For federal and Alberta tax purposes, donations and gifts included on line 6<sup>th</sup> 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 6<sup>th</sup> prior year and donations and gifts that are included on line 21<sup>st</sup> 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 |
| <b>Deduct:</b> Gifts of musical instruments expired after twenty tax years                         |                               | B |
| Gifts of musical instruments at the beginning of the tax year                                      |                               | C |
| <b>Add:</b>                                                                                        |                               |   |
| 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 |
| <b>Deduct:</b> Adjustment for an acquisition of control                                            |                               | G |
| Total gifts of musical instruments available                                                       |                               | H |
| <b>Deduct:</b> Amount applied against taxable income (enter this amount on line 255 of form CO-17) |                               | I |
| Gifts of musical instruments closing balance                                                       |                               | J |

Amounts carried forward – Gifts of musical instruments

| Year of origin:              |            | Québec |
|------------------------------|------------|--------|
| 1 <sup>st</sup> prior year   | 2016-12-31 |        |
| 2 <sup>nd</sup> prior year   | 2015-12-31 |        |
| 3 <sup>rd</sup> prior year   | 2014-12-31 |        |
| 4 <sup>th</sup> prior year   | 2013-12-31 |        |
| 5 <sup>th</sup> prior year   | 2012-12-31 |        |
| 6 <sup>th</sup> prior year*  | 2011-12-31 |        |
| 7 <sup>th</sup> prior year   | 2010-12-31 |        |
| 8 <sup>th</sup> prior year   | 2009-12-31 |        |
| 9 <sup>th</sup> prior year   | 2009-10-08 |        |
| 10 <sup>th</sup> prior year  |            |        |
| 11 <sup>th</sup> prior year  |            |        |
| 12 <sup>th</sup> prior year  |            |        |
| 13 <sup>th</sup> prior year  |            |        |
| 14 <sup>th</sup> prior year  |            |        |
| 15 <sup>th</sup> prior year  |            |        |
| 16 <sup>th</sup> prior year  |            |        |
| 17 <sup>th</sup> prior year  |            |        |
| 18 <sup>th</sup> prior year  |            |        |
| 19 <sup>th</sup> prior year  |            |        |
| 20 <sup>th</sup> prior year  |            |        |
| 21 <sup>st</sup> prior year* |            |        |
| Total                        |            |        |

\* These gifts expired in the current year.



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## Schedule 8

## Capital Cost Allowance (CCA)

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation 1101(5q)*? **101** Yes ☐ No ☒

| 1<br>Class<br>number<br>* | Description                      | 2<br>Undepreciated<br>capital cost<br>at the beginning<br>of the year<br>(amount from<br>column 12<br>of last year's<br>schedule 8) | 3<br>Cost of<br>acquisitions<br>during the year<br>(new property<br>must be<br>available<br>for use)<br><br>(see note 1<br>below) | 4<br>Adjustments<br>and<br>transfers<br><br>(see note 2<br>below) | 5<br>Proceeds of<br>dispositions<br>during the year<br>(amount not to<br>exceed the<br>capital cost) | 6<br>50% rule (1/2<br>of the amount,<br>if any, by which<br>the net cost<br>of acquisitions<br>exceeds<br>column 5)<br><br>(see note 3<br>below) | 7<br>Reduced<br>undepreciated<br>capital cost<br>(column 2 <b>plus</b><br>column 3 <b>plus</b><br>or <b>minus</b><br>column 4 <b>minus</b><br>column 5 <b>minus</b><br>column 6) | 8<br>CCA<br>rate<br>%<br><br>(see<br>note 4<br>below) | 9<br>Recapture of<br>capital cost<br>allowance<br>(line 107 of<br>Schedule 1)<br><br>(see note 5<br>below) | 10<br>Terminal loss<br>(line 404 of<br>Schedule 1) | 11<br>Capital cost<br>allowance<br>(for declining<br>balance method,<br>column 7<br><b>multiplied by</b><br>column 8, or a<br>lower amount)<br>(line 403 of<br>Schedule 1)<br><br>(see note 6<br>below) | 12<br>Undepreciated<br>capital cost<br>at the end of<br>the year<br>(column 6<br><b>plus</b> column 7<br><b>minus</b><br>column 11) |
|---------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>200</b>                |                                  | <b>201</b>                                                                                                                          | <b>203</b>                                                                                                                        | <b>205</b>                                                        | <b>207</b>                                                                                           | <b>211</b>                                                                                                                                       |                                                                                                                                                                                  | <b>212</b>                                            | <b>213</b>                                                                                                 | <b>215</b>                                         | <b>217</b>                                                                                                                                                                                              | <b>220</b>                                                                                                                          |
| 1. 1                      | Pre Feb. 2005 Distribution Equip | 24,309,166                                                                                                                          |                                                                                                                                   |                                                                   | 0                                                                                                    |                                                                                                                                                  | 24,309,166                                                                                                                                                                       | 4                                                     | 0                                                                                                          | 0                                                  | 972,367                                                                                                                                                                                                 | 23,336,799                                                                                                                          |
| 2. 8                      | General Office/Stores Equipment  | 445,438                                                                                                                             | 131,735                                                                                                                           |                                                                   | 0                                                                                                    | 65,868                                                                                                                                           | 511,305                                                                                                                                                                          | 20                                                    | 0                                                                                                          | 0                                                  | 102,261                                                                                                                                                                                                 | 474,912                                                                                                                             |
| 3. 10                     | Vehicles                         | 1,540,261                                                                                                                           | 610,054                                                                                                                           |                                                                   | 0                                                                                                    | 305,027                                                                                                                                          | 1,845,288                                                                                                                                                                        | 30                                                    | 0                                                                                                          | 0                                                  | 553,586                                                                                                                                                                                                 | 1,596,729                                                                                                                           |
| 4. 47                     | Distribution Equipment           | 58,358,499                                                                                                                          | 6,355,017                                                                                                                         |                                                                   | 6,858                                                                                                | 3,174,080                                                                                                                                        | 61,532,578                                                                                                                                                                       | 8                                                     | 0                                                                                                          | 0                                                  | 4,922,606                                                                                                                                                                                               | 59,784,052                                                                                                                          |
| 5. 45                     | Computer Equipment               | 1,665                                                                                                                               |                                                                                                                                   |                                                                   | 0                                                                                                    |                                                                                                                                                  | 1,665                                                                                                                                                                            | 45                                                    | 0                                                                                                          | 0                                                  | 749                                                                                                                                                                                                     | 916                                                                                                                                 |
| 6. 12                     | Small tools                      | 79,334                                                                                                                              |                                                                                                                                   | -1,250                                                            | 0                                                                                                    |                                                                                                                                                  | 78,084                                                                                                                                                                           | 100                                                   | 0                                                                                                          | 0                                                  | 78,084                                                                                                                                                                                                  |                                                                                                                                     |
| 7. 46                     |                                  | 23,272                                                                                                                              |                                                                                                                                   |                                                                   | 0                                                                                                    |                                                                                                                                                  | 23,272                                                                                                                                                                           | 30                                                    | 0                                                                                                          | 0                                                  | 6,982                                                                                                                                                                                                   | 16,290                                                                                                                              |
| 8. 50                     | Computers                        | 105,775                                                                                                                             | 57,830                                                                                                                            |                                                                   | 0                                                                                                    | 28,915                                                                                                                                           | 134,690                                                                                                                                                                          | 55                                                    | 0                                                                                                          | 0                                                  | 74,080                                                                                                                                                                                                  | 89,525                                                                                                                              |
| 9. 14.1                   |                                  | 6,484,593                                                                                                                           |                                                                                                                                   |                                                                   | 0                                                                                                    |                                                                                                                                                  | 6,484,593                                                                                                                                                                        | 5                                                     | 0                                                                                                          | 0                                                  | 453,922                                                                                                                                                                                                 | 6,030,671                                                                                                                           |
| <b>Totals</b>             |                                  | <b>91,348,003</b>                                                                                                                   | <b>7,154,636</b>                                                                                                                  | <b>-1,250</b>                                                     | <b>6,858</b>                                                                                         | <b>3,573,890</b>                                                                                                                                 | <b>94,920,641</b>                                                                                                                                                                |                                                       |                                                                                                            |                                                    | <b>7,164,637</b>                                                                                                                                                                                        | <b>91,329,894</b>                                                                                                                   |

\* 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.

T2 SCH 8 (17)

Canada

**RELATED AND ASSOCIATED CORPORATIONS**

|                     |                   |                                |
|---------------------|-------------------|--------------------------------|
| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
| Algoma Power Inc.   | 82249 4290 RC0001 | 2017-12-31                     |

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

|     | Name                                 | Country of residence (other than Canada) | Business number (see note 1) | Relationship 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 |
|-----|--------------------------------------|------------------------------------------|------------------------------|--------------------------------|---------------------------------|----------------------------|------------------------------------|-------------------------------|-----------------------------|
|     | <b>100</b>                           | <b>200</b>                               | <b>300</b>                   | <b>400</b>                     | <b>500</b>                      | <b>550</b>                 | <b>600</b>                         | <b>650</b>                    | <b>700</b>                  |
| 1.  | 0395518 B.C. Ltd.                    |                                          | 12628 4249 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 2.  | 10019992 Canada Inc.                 |                                          | 73772 1126 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 3.  | 1228158 Ontario Limited              |                                          | 88706 8690 RC0001            | 2                              | 1                               | 100.000                    |                                    |                               | 1                           |
| 4.  | 16006059 Ontario Inc.                |                                          | 86184 9107 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 5.  | Advanced Energy Technologies, Inc    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 6.  | Aitken Creek Gas Storage ULC         |                                          | 83434 2552 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 7.  | BC Gas (Argentina) S.A.              | AR                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 8.  | BC Gas (Malaysia) SDN. BHD.          | MY                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 9.  | Belize Electrical Company Limited    | BZ                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 10. | Big Chino Valley Pumped Storage LI   | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 11. | Canadian Niagara Power Inc.          |                                          | 87249 8225 RC0002            | 3                              |                                 |                            |                                    |                               |                             |
| 12. | Caribbean Utilities Company, Ltd.    | KY                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 13. | Central Hudson Electric Transmissio  | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 14. | Central Hudson Enterprise Corp.      | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 15. | Central Hudson Gas & Electric Corp.  | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 16. | Central Hudson Gas Transmission L    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 17. | CH Energy Group Inc.                 | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 18. | Cornwall Street Railway Light and P  |                                          | 12090 6839 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 19. | Desert Southwest Storage Holdings    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 20. | Escavada Leasing Company             | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 21. | Fortis (WP) GP Inc.                  |                                          | 80854 1726 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 22. | Fortis Alberta Holdings Inc.         |                                          | 86921 0203 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 23. | Fortis BC LNG Development Inc.       |                                          | 79802 9898 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 24. | Fortis Cayman Inc.                   | KY                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 25. | Fortis Energy (Bermuda) Ltd.         | BM                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 26. | Fortis Energy Cayman inc.            | KY                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 27. | Fortis Energy Corporation            |                                          | 10386 4443 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 28. | Fortis Energy International (Belize) | BZ                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 29. | Fortis Generation Inc.               |                                          | 83967 1096 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 30. | Fortis Hawaii Energy Inc             |                                          | 78426 6496 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 31. | Fortis Hydro Corporation             | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 32. | Fortis Inc.                          |                                          | 10185 2416 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 33. | Fortis LNG GP Inc.                   |                                          | 80839 2781 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 34. | Fortis Properties Corporation        |                                          | 89693 2449 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 35. | FortisAlberta Inc.                   |                                          | 86929 4520 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 36. | FortisBC Alternative Energy Services |                                          | 81144 5873 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 37. | FortisBC Energy Inc.                 |                                          | 10043 1592 RC0004            | 3                              |                                 |                            |                                    |                               |                             |
| 38. | FortisBC Holdings Inc.               |                                          | 10534 9740 RC0004            | 3                              |                                 |                            |                                    |                               |                             |
| 39. | FortisBC Huntington Inc.             |                                          | 12974 2870 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 40. | FortisBC Inc.                        |                                          | 10564 5642 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 41. | FortisBC Midstream Inc.              |                                          | 86014 6588 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 42. | FortisBC Pacific Holdings Inc.       |                                          | 87170 9101 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 43. | FortisLUX Holdings Inc.              |                                          | 82293 1242 RC0001            | 3                              |                                 |                            |                                    |                               |                             |

|     | Name                                | Country of residence (other than Canada) | Business number (see note 1) | Relationship 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                         |
| 44. | FortisOntario District Heating Inc. |                                          | 89329 1740 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 45. | FortisOntario Inc.                  |                                          | 10076 8985 RC0003            | 1                              |                                 |                            |                                    |                               |                             |
| 46. | FortisTCI Limited                   | TC                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 47. | FortisUS Holdings Nova Scotia Limit |                                          | 82872 6091 RC0002            | 3                              |                                 |                            |                                    |                               |                             |
| 48. | FortisUS Inc.                       | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 49. | FortisWest Inc.                     |                                          | 87470 8209 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 50. | Green Power Express LLC             | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 51. | Inland Energy Corp.                 |                                          | 11960 8529 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 52. | Inland Pacific Energy Services      |                                          | 10249 0554 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 53. | International Transmission Compan   | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 54. | ITC Equipment, LLC                  | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 55. | ITC Great Plains, LLC               | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 56. | ITC Green Power Express LLC         | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 57. | ITC Grid Development, LLC           | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 58. | ITC Holdings Corporation            | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 59. | ITC Interconnection LLC             | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 60. | ITC Investment Holdings Inc.        | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 61. | ITC Lake Erie Connector LLC         | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 62. | ITC Lake Erie Holdings LLC          | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 63. | ITC Mid-Atlantic Development LLC    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 64. | ITC Midcontinent Development LLC    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 65. | ITC Midsouth LLC                    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 66. | ITC Midwest LLC                     | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 67. | ITC New York Development LLC        | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 68. | ITC Panhandle Transmission, LLC     | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 69. | ITC Project Holdings LLC            | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 70. | ITC South Central Development LLC   | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 71. | Maritime Electric Company, Limited  |                                          | 12111 9879 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 72. | MEH Equities Management Compan      | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 73. | MEH Storage LLC                     | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 74. | METC GP Holdings, Inc               | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 75. | Michigan Electric Transmission Com  | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 76. | Michigan Transco Holdings LLC       | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 77. | Millennium Energy Holdings, Inc.    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 78. | Mt. Hayes (GP) Ltd.                 |                                          | 84888 3914 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 79. | New York Transmission Holdings Co   | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 80. | Newfoundland Electric Company Lin   |                                          | 12748 1059 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 81. | Newfoundland Energy Luxembourg      | LU                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 82. | Newfoundland Industries Limited     |                                          | 87536 2774 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 83. | Newfoundland Power Inc.             |                                          | 10386 4831 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 84. | NGIV2, LLC                          | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 85. | Powertrusion International, Inc.    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 86. | San Carlos Resources Inc.           | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 87. | Southwest Energy Solutions, Inc.    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 88. | Terasen International Inc.          |                                          | 13237 5346 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 89. | Tucson Electric Power Company       | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 90. | Tucsonel Inc.                       | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 91. | Turks and Caicos Utilities Limited  | TC                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 92. | Unisource Energy Development Con    | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 93. | Unisource Energy Services, Inc.     | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 94. | UNS Electric, Inc.                  | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 95. | UNS Energy Corporation              | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |
| 96. | UNS Gas, Inc.                       | US                                       | NR                           | 3                              |                                 |                            |                                    |                               |                             |

|      | Name                              | Country of residence (other than Canada) | Business number (see note 1) | Relationship 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                         |
| 97.  | Waneta Expansion General Partner  |                                          | 84815 4001 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 98.  | Waneta Power General Partner Ltd. |                                          | 71545 9921 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 99.  | Wataynikaneyap Power PM Inc.      |                                          | 80650 3967 RC0001            | 3                              |                                 |                            |                                    |                               |                             |
| 100. | West Kootenay Power Ltd.          |                                          | 89427 8670 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 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                                             | Accrued Pension Benefit Asset       | -3,205,878                           |                                                            | -541,600 | -424,566 | -3,322,912                     |
| 2                                             | Accrued Post Retirement Benef       | 6,967,984                            |                                                            | 661,300  | 173,189  | 7,456,095                      |
| 3                                             |                                     |                                      |                                                            |          |          |                                |
|                                               | Reserves from Part 2 of Schedule 13 |                                      |                                                            |          |          |                                |
|                                               | Totals                              | 3,762,106                            |                                                            | 119,700  | -251,377 | 4,133,183                      |

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.

Taxable Capital Employed in Canada – Large Corporations

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 2017-12-31                     |

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

Part 1 – Capital

Add the following year-end amounts:

|                                                                                                                                                                                                                                                   |     |                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------|
| Reserves that have not been deducted in calculating income for the year under Part I                                                                                                                                                              | 101 |                           |
| Capital stock (or members' contributions if incorporated without share capital)                                                                                                                                                                   | 103 | 44,007,781                |
| Retained earnings                                                                                                                                                                                                                                 | 104 | 371,076                   |
| Contributed surplus                                                                                                                                                                                                                               | 105 |                           |
| Any other surpluses                                                                                                                                                                                                                               | 106 |                           |
| Deferred unrealized foreign exchange gains                                                                                                                                                                                                        | 107 |                           |
| All loans and advances to the corporation                                                                                                                                                                                                         | 108 |                           |
| 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)                                                                                                                                                                                                                   |     | 44,378,857 ▶ 44,378,857 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
    - a) those lines applied to partnerships in the same manner that they apply to corporations, and
    - b) those amounts were computed without reference to amounts owing by the partnership
      - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
      - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
  - B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
  - C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
  - D is the partnership's income or loss for the period.

**Part 1 – Capital (continued)**Subtotal A (from page 1) 44,378,857 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** 44,378,857**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) . . . . . 44,378,857 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** 44,378,857



## 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) | 44,378,857 | x | Taxable income earned in Canada | 610 | 1,338,469 | = | Taxable capital employed in Canada | 690 | 44,378,857 |
|                                         |            |   | Taxable income                  |     | 1,338,469 |   |                                    |     |            |

- 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.

## Ontario Corporation Tax Calculation

|                                                |                                             |                                                     |
|------------------------------------------------|---------------------------------------------|-----------------------------------------------------|
| Corporation's name<br><b>Algoma Power Inc.</b> | Business number<br><b>82249 4290 RC0001</b> | Tax year-end<br>Year Month Day<br><b>2017-12-31</b> |
|------------------------------------------------|---------------------------------------------|-----------------------------------------------------|

- 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 *                                      | <u>1,338,469</u> | A |
| Ontario basic rate of tax for the year                        | <u>11.5 %</u>    | B |
| Ontario basic income tax (amount A multiplied by amount B **) | <u>153,924</u>   | 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                                                                                                                  | <u>1</u>                                                                                                                            |   |
| Amount from line 405 of the T2 return                                                                                                                  | <u>2</u>                                                                                                                            |   |
| Amount from line 427 of the T2 return                                                                                                                  | <u>3</u>                                                                                                                            |   |
| Enter the least of amounts 1, 2 or 3                                                                                                                   | <u>►</u>                                                                                                                            | D |
| Ontario domestic factor (ODF):                                                                                                                         | $\frac{\text{Taxable income for Ontario *}}{\text{Taxable income for all provinces **}} = \frac{1,338,469.00}{1,338,469} = 1.00000$ | E |
| Amount D multiplied by amount E                                                                                                                        | <u>4</u>                                                                                                                            |   |
| Ontario taxable income (amount A from Part 1)                                                                                                          | <u>1,338,469</u>                                                                                                                    | 5 |
| Ontario small business income (lesser of amount 4 or amount 5)                                                                                         | <u>►</u>                                                                                                                            | F |
| <b>Ontario small business deduction rate for the year</b>                                                                                              |                                                                                                                                     |   |
| $\frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}} = \frac{365}{365} \times 7\% = 7.00000\%$  | G1                                                                                                                                  |   |
| $\frac{\text{Number of days in the tax year after December 31, 2017}}{\text{Number of days in the tax year}} = \frac{\quad}{365} \times 8\% = \quad\%$ | G2                                                                                                                                  |   |
| OSBD rate for the year (rate G1 plus rate G2)                                                                                                          | <u>7.00000 %</u> ►                                                                                                                  | G |
| Ontario small business deduction (amount F multiplied by rate G)                                                                                       | <u>H</u>                                                                                                                            | H |

Enter amount H on line 402 of Schedule 5.

\* Enter amount A from Part 1.

\*\* Includes the offshore areas for Nova Scotia and Newfoundland and Labrador.

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 N from Part 5 of Schedule 17 . . . . . J

Ontario adjusted small business income (amount I) . . . . . K

Subtotal (amount J **minus** amount K, if negative, enter "0") \_\_\_\_\_ L

Amount L **multiplied** by amount G ..... M

|                                    |         |   |
|------------------------------------|---------|---|
| Ontario domestic factor (amount E) | 1.00000 | N |
|------------------------------------|---------|---|

**Ontario credit union tax reduction** (amount M multiplied by amount N) . . . . . 0

Enter amount O on line 410 of Schedule 5.

## Ontario Corporate Minimum Tax

|                    |                   |                                |
|--------------------|-------------------|--------------------------------|
| Corporation's name | Business number   | Tax year-end<br>Year Month Day |
| Algoma Power Inc.  | 82249 4290 RC0001 | 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 *                    | <b>112</b> | 120,734,996 |
| Share of total assets from partnership(s) and joint venture(s) *                | <b>114</b> |             |
| Total assets of associated corporations (amount from line 450 on Schedule 511)  | <b>116</b> | 329,744,771 |
| Total assets (total of lines 112 to 116)                                        |            | 450,479,767 |
| Total revenue of the corporation for the tax year **                            | <b>142</b> | 45,452,553  |
| Share of total revenue from partnership(s) and joint venture(s) **              | <b>144</b> |             |
| Total revenue of associated corporations (amount from line 550 on Schedule 511) | <b>146</b> | 162,196,527 |
| Total revenue (total of lines 142 to 146)                                       |            | 207,649,080 |

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     | 3,629,942 |
| <b>Add</b> (to the extent reflected in income/loss):                                                                                                                        |         |           |
| Provision for current income taxes/cost of current income taxes                                                                                                             | 220     | 355,073   |
| Provision for deferred income taxes (debits)/cost of future income taxes                                                                                                    | 222     | 120,289   |
| 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),<br>excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act | 230     |           |
| <b>Other additions</b> (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                                                                                                                                                                    | 475,362 | 475,362 A |
| <b>Deduct</b> (to the extent reflected in income/loss):                                                                                                                     |         |           |
| Provision for recovery of current income taxes/benefit of current income taxes                                                                                              | 320     |           |
| Provision for deferred income taxes (credits)/benefit of future income taxes                                                                                                | 322     |           |
| Equity income from corporations                                                                                                                                             | 324     |           |
| Financial statement income from partnerships and joint ventures                                                                                                             | 326     |           |
| Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act                                                                                | 330     |           |
| Dividends not taxable under section 83 of the federal Act (from Schedule 3)                                                                                                 | 332     |           |
| Gain on donation of listed security or ecological gift                                                                                                                      | 340     |           |
| Accounting gain on transfer of property to a corporation under section 85 or 85.1<br>of the federal Act ***                                                                 | 342     |           |
| Accounting gain on transfer of property to/from a partnership under section 85 or 97<br>of the federal Act ****                                                             | 344     |           |
| Accounting gain on disposition of property under subsection 13(4),<br>subsection 14(6), or section 44 of the federal Act *****                                              | 346     |           |
| Accounting gain on a windup under subsection 88(1) of the federal Act<br>or an amalgamation under section 87 of the federal Act                                             | 348     |           |
| <b>Other deductions</b> (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 <b>multiplied</b> by 3                                                                                | 334     |           |
| Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act,<br>not already included in net income/loss                                                 | 336     |           |
| Patronage dividends paid (from Schedule 16) not already included in net income/loss                                                                                         | 338     |           |
| 381                                                                                                                                                                         | 382     |           |
| 383                                                                                                                                                                         | 384     |           |
| 385                                                                                                                                                                         | 386     |           |
| 387                                                                                                                                                                         | 388     |           |
| 389                                                                                                                                                                         | 390     |           |
| Subtotal                                                                                                                                                                    |         | B         |
| Adjusted net income/loss for CMT purposes (line 210 <b>plus</b> amount A <b>minus</b> amount B)                                                                             | 490     | 4,105,304 |

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** 4,105,304

**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** 4,105,304

Amount from line 520 4,105,304 ×  $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$  × 4 % = 1  
365

Amount from line 520 4,105,304 ×  $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$  × 2.7 % = 110,843 2  
365

Subtotal (amount 1 **plus** amount 2) . . . . . 110,843 3

Gross CMT: amount on line 3 above x OAF \*\* . . . . . **540** 110,843

**Deduct:**

Foreign tax credit for CMT purposes \*\*\* . . . . . **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") . . . . . 110,843 D

**Deduct:**

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) . . . . . 153,924

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            |
| <b>Deduct:</b>                                                                                                 |                                           |              |
| CMT credit expired *                                                                                           | ..... <b>600</b>                          |              |
| CMT credit carryforward at the beginning of the current tax year * (see note below)                            | .....                                     | <b>620</b>   |
| <b>Add:</b>                                                                                                    |                                           |              |
| CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below) | .....                                     | <b>650</b>   |
| CMT credit available for the tax year (amount on line 620 <b>plus</b> amount on line 650)                      | .....                                     | H            |
| <b>Deduct:</b>                                                                                                 |                                           |              |
| CMT credit deducted in the current tax year (amount P from Part 5)                                             | .....                                     | I            |
|                                                                                                                | Subtotal (amount H <b>minus</b> amount I) | J            |
| <b>Add:</b>                                                                                                    |                                           |              |
| 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 <b>plus</b> amount K)                             | .....                                     | <b>670</b> 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)                                                         | ..... 153,924 1                                     |           |
| For a corporation that is not a life insurance corporation:                                                                                |                                                     |           |
| CMT after foreign tax credit deduction (amount D from Part 3)                                                                              | ..... 110,843 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 <b>greater</b> of amounts 3 and 4                                                                                                      | ..... 5                                             |           |
|                                                                                                                                            | <b>Deduct:</b> line 2 or line 5, whichever applies: | 110,843 6 |
|                                                                                                                                            | Subtotal (if negative, enter "0")                   | 43,081 N  |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)                                                         | ..... 153,924                                       |           |
| <b>Deduct:</b>                                                                                                                             |                                                     |           |
| Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 <b>minus</b> line 450 from Schedule 5) | .....                                               |           |
|                                                                                                                                            | Subtotal (if negative, enter "0")                   | 153,924 O |
| CMT credit deducted in the current tax year (least of amounts M, N, and O)                                                                 | .....                                               | P         |

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? ..... **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

**Part 6 – Analysis of CMT credit available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

| Year of origin         | CMT credit balance * |
|------------------------|----------------------|
| 10th previous tax year | 680                  |
| 9th previous tax year  | 681                  |
| 8th previous tax year  | 682                  |
| 7th previous tax year  | 683                  |
| 6th previous tax year  | 684                  |
| 5th previous tax year  | 685                  |
| 4th previous tax year  | 686                  |
| 3rd previous tax year  | 687                  |
| 2nd previous tax year  | 688                  |
| 1st previous tax year  | 689                  |
| Total **               |                      |

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

**Part 7 – Calculation of CMT loss carryforward**

CMT loss carryforward at the end of the previous tax year \* . . . . . Q

**Deduct:**

CMT loss expired \* . . . . . 700

CMT loss carryforward at the beginning of the tax year \* (see note below) . . . . . 720

**Add:**

CMT loss transferred on an amalgamation under section 87 of the federal Act \*\* (see note below) . . . . . 750

CMT loss available (line 720 plus line 750) . . . . . R

**Deduct:**

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . .

Subtotal (if negative, enter "0") . . . . . S

**Add:**Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . . 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) . . . . . 770 T

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

\*\* Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

**Note:** If you entered an amount on line 720 or line 750, complete Part 8.



**Part 8 – Analysis of CMT loss available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

| Year of origin            | Balance earned in a tax year ending<br>before March 23, 2007 * | Balance earned in a tax year ending<br>after March 22, 2007 ** |
|---------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| 10th previous<br>tax year | <b>810</b>                                                     | <b>820</b>                                                     |
| 9th previous<br>tax year  | <b>811</b>                                                     | <b>821</b>                                                     |
| 8th previous<br>tax year  | <b>812</b>                                                     | <b>822</b>                                                     |
| 7th previous<br>tax year  | <b>813</b>                                                     | <b>823</b>                                                     |
| 6th previous<br>tax year  | <b>814</b>                                                     | <b>824</b>                                                     |
| 5th previous<br>tax year  | <b>815</b>                                                     | <b>825</b>                                                     |
| 4th previous<br>tax year  | <b>816</b>                                                     | <b>826</b>                                                     |
| 3rd previous<br>tax year  | <b>817</b>                                                     | <b>827</b>                                                     |
| 2nd previous<br>tax year  | <b>818</b>                                                     | <b>828</b>                                                     |
| 1st previous<br>tax year  |                                                                | <b>829</b>                                                     |
| 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<br>Year Month Day |
| Algoma Power Inc.   | 82249 4290 RC0001 | 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<br>(Canadian corporation only)<br>(see Note 1) | Total assets*<br>(see Note 2) | Total revenue**<br>(see Note 2) |
|----|----------------------------------------------------|----------------------------------------------------------------|-------------------------------|---------------------------------|
|    | 200                                                | 300                                                            | 400                           | 500                             |
| 1  | 0395518 B.C. Ltd.                                  | 12628 4249 RC0001                                              | 0                             | 0                               |
| 2  | 10019992 Canada Inc.                               | 73772 1126 RC0001                                              | 0                             | 0                               |
| 3  | 1228158 Ontario Limited                            | 88706 8690 RC0001                                              | 1                             | 0                               |
| 4  | 16006059 Ontario Inc.                              | 86184 9107 RC0001                                              | 0                             | 0                               |
| 5  | Advanced Energy Technologies, Inc.                 | NR                                                             | 0                             | 0                               |
| 6  | Aitken Creek Gas Storage ULC                       | 83434 2552 RC0001                                              | 0                             | 0                               |
| 7  | BC Gas (Argentina) S.A.                            | NR                                                             | 0                             | 0                               |
| 8  | BC Gas (Malaysia) SDN. BHD.                        | NR                                                             | 0                             | 0                               |
| 9  | Belize Electrical Company Limited                  | NR                                                             | 0                             | 0                               |
| 10 | Big Chino Valley Pumped Storage LLC                | NR                                                             | 0                             | 0                               |
| 11 | Canadian Niagara Power Inc.                        | 87249 8225 RC0002                                              | 165,029,141                   | 81,940,161                      |
| 12 | Caribbean Utilities Company, Ltd.                  | NR                                                             | 0                             | 0                               |
| 13 | Central Hudson Electric Transmission LLC           | NR                                                             | 0                             | 0                               |
| 14 | Central Hudson Enterprise Corp.                    | NR                                                             | 0                             | 0                               |
| 15 | Central Hudson Gas & Electric Corp.                | NR                                                             | 0                             | 0                               |
| 16 | Central Hudson Gas Transmission LLC                | NR                                                             | 0                             | 0                               |
| 17 | CH Energy Group Inc.                               | NR                                                             | 0                             | 0                               |
| 18 | Cornwall Street Railway Light and Power Company Li | 12090 6839 RC0001                                              | 74,386,315                    | 72,448,886                      |
| 19 | Desert Southwest Storage Holdings LLC              | NR                                                             | 0                             | 0                               |
| 20 | Escavada Leasing Company                           | NR                                                             | 0                             | 0                               |
| 21 | Fortis (WP) GP Inc.                                | 80854 1726 RC0001                                              | 0                             | 0                               |
| 22 | Fortis Alberta Holdings Inc.                       | 86921 0203 RC0001                                              | 0                             | 0                               |
| 23 | Fortis BC LNG Development Inc.                     | 79802 9898 RC0001                                              | 0                             | 0                               |
| 24 | Fortis Cayman Inc.                                 | NR                                                             | 0                             | 0                               |
| 25 | Fortis Energy (Bermuda) Ltd.                       | NR                                                             | 0                             | 0                               |
| 26 | Fortis Energy Cayman inc.                          | NR                                                             | 0                             | 0                               |
| 27 | Fortis Energy Corporation                          | 10386 4443 RC0001                                              | 0                             | 0                               |
| 28 | Fortis Energy International (Belize) Inc.          | NR                                                             | 0                             | 0                               |

|    | Names of associated corporations          | Business number<br>(Canadian corporation only)<br>(see Note 1) | Total assets*<br>(see Note 2) | Total revenue**<br>(see Note 2) |
|----|-------------------------------------------|----------------------------------------------------------------|-------------------------------|---------------------------------|
|    | <b>200</b>                                | <b>300</b>                                                     | <b>400</b>                    | <b>500</b>                      |
| 29 | Fortis Generation Inc.                    | 83967 1096 RC0001                                              | 0                             | 0                               |
| 30 | Fortis Hawaii Energy Inc                  | 78426 6496 RC0001                                              | 0                             | 0                               |
| 31 | Fortis Hydro Corporation                  | NR                                                             | 0                             | 0                               |
| 32 | Fortis Inc.                               | 10185 2416 RC0001                                              | 0                             | 0                               |
| 33 | Fortis LNG GP Inc.                        | 80839 2781 RC0001                                              | 0                             | 0                               |
| 34 | Fortis Properties Corporation             | 89693 2449 RC0001                                              | 0                             | 0                               |
| 35 | FortisAlberta Inc.                        | 86929 4520 RC0001                                              | 0                             | 0                               |
| 36 | FortisBC Alternative Energy Services Inc. | 81144 5873 RC0001                                              | 0                             | 0                               |
| 37 | FortisBC Energy Inc.                      | 10043 1592 RC0004                                              | 0                             | 0                               |
| 38 | FortisBC Holdings Inc.                    | 10534 9740 RC0004                                              | 0                             | 0                               |
| 39 | FortisBC Huntington Inc.                  | 12974 2870 RC0001                                              | 0                             | 0                               |
| 40 | FortisBC Inc.                             | 10564 5642 RC0001                                              | 0                             | 0                               |
| 41 | FortisBC Midstream Inc.                   | 86014 6588 RC0001                                              | 0                             | 0                               |
| 42 | FortisBC Pacific Holdings Inc.            | 87170 9101 RC0001                                              | 0                             | 0                               |
| 43 | FortisLUX Holdings Inc.                   | 82293 1242 RC0001                                              | 0                             | 0                               |
| 44 | FortisOntario District Heating Inc.       | 89329 1740 RC0001                                              | 43,857                        | 0                               |
| 45 | FortisOntario Inc.                        | 10076 8985 RC0003                                              | 90,285,457                    | 7,807,480                       |
| 46 | FortisTCI Limited                         | NR                                                             | 0                             | 0                               |
| 47 | FortisUS Holdings Nova Scotia Limited     | 82872 6091 RC0002                                              | 0                             | 0                               |
| 48 | FortisUS Inc.                             | NR                                                             | 0                             | 0                               |
| 49 | FortisWest Inc.                           | 87470 8209 RC0001                                              | 0                             | 0                               |
| 50 | Green Power Express LLC                   | NR                                                             | 0                             | 0                               |
| 51 | Inland Energy Corp.                       | 11960 8529 RC0001                                              | 0                             | 0                               |
| 52 | Inland Pacific Energy Services            | 10249 0554 RC0001                                              | 0                             | 0                               |
| 53 | International Transmission Company        | NR                                                             | 0                             | 0                               |
| 54 | ITC Equipment, LLC                        | NR                                                             | 0                             | 0                               |
| 55 | ITC Great Plains, LLC                     | NR                                                             | 0                             | 0                               |
| 56 | ITC Green Power Express LLC               | NR                                                             | 0                             | 0                               |
| 57 | ITC Grid Development, LLC                 | NR                                                             | 0                             | 0                               |
| 58 | ITC Holdings Corporation                  | NR                                                             | 0                             | 0                               |
| 59 | ITC Interconnection LLC                   | NR                                                             | 0                             | 0                               |
| 60 | ITC Investment Holdings Inc.              | NR                                                             | 0                             | 0                               |
| 61 | ITC Lake Erie Connector LLC               | NR                                                             | 0                             | 0                               |
| 62 | ITC Lake Erie Holdings LLC                | NR                                                             | 0                             | 0                               |
| 63 | ITC Mid-Atlantic Development LLC          | NR                                                             | 0                             | 0                               |
| 64 | ITC Midcontinent Development LLC          | NR                                                             | 0                             | 0                               |
| 65 | ITC Midsouth LLC                          | NR                                                             | 0                             | 0                               |

| Names of associated corporations |                                             | Business number<br>(Canadian corporation only)<br>(see Note 1) | Total assets*<br>(see Note 2) | Total revenue**<br>(see Note 2) |
|----------------------------------|---------------------------------------------|----------------------------------------------------------------|-------------------------------|---------------------------------|
| <b>200</b>                       |                                             | <b>300</b>                                                     | <b>400</b>                    | <b>500</b>                      |
| 66                               | ITC Midwest LLC                             | NR                                                             | 0                             | 0                               |
| 67                               | ITC New York Development LLC                | NR                                                             | 0                             | 0                               |
| 68                               | ITC Panhandle Transmission, LLC             | NR                                                             | 0                             | 0                               |
| 69                               | ITC Project Holdings LLC                    | NR                                                             | 0                             | 0                               |
| 70                               | ITC South Central Development LLC           | NR                                                             | 0                             | 0                               |
| 71                               | Maritime Electric Company, Limited          | 12111 9879 RC0001                                              | 0                             | 0                               |
| 72                               | MEH Equities Management Company             | NR                                                             | 0                             | 0                               |
| 73                               | MEH Storage LLC                             | NR                                                             | 0                             | 0                               |
| 74                               | METC GP Holdings, Inc                       | NR                                                             | 0                             | 0                               |
| 75                               | Michigan Electric Transmission Company, LLC | NR                                                             | 0                             | 0                               |
| 76                               | Michigan Transco Holdings LLC               | NR                                                             | 0                             | 0                               |
| 77                               | Millennium Energy Holdings, Inc.            | NR                                                             | 0                             | 0                               |
| 78                               | Mt. Hayes (GP) Ltd.                         | 84888 3914 RC0001                                              | 0                             | 0                               |
| 79                               | New York Transmission Holdings Corp.        | NR                                                             | 0                             | 0                               |
| 80                               | Newfoundland Electric Company Limited       | 12748 1059 RC0001                                              | 0                             | 0                               |
| 81                               | Newfoundland Energy Luxembourg              | NR                                                             | 0                             | 0                               |
| 82                               | Newfoundland Industries Limited             | 87536 2774 RC0001                                              | 0                             | 0                               |
| 83                               | Newfoundland Power Inc.                     | 10386 4831 RC0001                                              | 0                             | 0                               |
| 84                               | NGIV2, LLC                                  | NR                                                             | 0                             | 0                               |
| 85                               | Powertrusion International, Inc.            | NR                                                             | 0                             | 0                               |
| 86                               | San Carlos Resources Inc.                   | NR                                                             | 0                             | 0                               |
| 87                               | Southwest Energy Solutions, Inc.            | NR                                                             | 0                             | 0                               |
| 88                               | Terasen International Inc.                  | 13237 5346 RC0001                                              | 0                             | 0                               |
| 89                               | Tucson Electric Power Company               | NR                                                             | 0                             | 0                               |
| 90                               | Tucsonel Inc.                               | NR                                                             | 0                             | 0                               |
| 91                               | Turks and Caicos Utilities Limited          | NR                                                             | 0                             | 0                               |
| 92                               | Unisource Energy Development Company        | NR                                                             | 0                             | 0                               |
| 93                               | Unisource Energy Services, Inc.             | NR                                                             | 0                             | 0                               |
| 94                               | UNS Electric, Inc.                          | NR                                                             | 0                             | 0                               |
| 95                               | UNS Energy Corporation                      | NR                                                             | 0                             | 0                               |
| 96                               | UNS Gas, Inc.                               | NR                                                             | 0                             | 0                               |
| 97                               | Waneta Expansion General Partner            | 84815 4001 RC0001                                              | 0                             | 0                               |
| 98                               | Waneta Power General Partner Ltd.           | 71545 9921 RC0001                                              | 0                             | 0                               |
| 99                               | Wataynikaneyap Power PM Inc.                | 80650 3967 RC0001                                              | 0                             | 0                               |
| 100                              | West Kootenay Power Ltd.                    | 89427 8670 RC0001                                              | 0                             | 0                               |
|                                  |                                             | <b>450</b>                                                     |                               | <b>550</b>                      |
|                                  |                                             | <b>Total</b>                                                   | 329,744,771                   | 162,196,527                     |

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.  
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

**\* Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511

Canada

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

|                                                 |                                             |                                                     |
|-------------------------------------------------|---------------------------------------------|-----------------------------------------------------|
| Name of corporation<br><b>Algoma Power Inc.</b> | Business Number<br><b>82249 4290 RC0001</b> | Tax year-end<br>Year Month Day<br><b>2017-12-31</b> |
|-------------------------------------------------|---------------------------------------------|-----------------------------------------------------|

- 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](http://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**

|                                                                                                       |                                                                                                                       |                                                      |  |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--|
| <b>100</b> Corporation's name (exactly as shown on the MGS public record)<br><b>Algoma Power Inc.</b> |                                                                                                                       |                                                      |  |
| Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent<br><b>Ontario</b>  | <b>110</b> Date of incorporation or amalgamation, whichever is the most recent<br>Year Month Day<br><b>2009-01-26</b> | <b>120</b> Ontario Corporation No.<br><b>2196355</b> |  |

**Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)**

|                                                                                            |                                                                                  |                                 |                                              |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------|----------------------------------------------|
| <b>200</b> Care of (if applicable)                                                         |                                                                                  |                                 |                                              |
| <b>210</b> Street number<br><b>2</b>                                                       | <b>220</b> Street name/Rural route/Lot and Concession number<br><b>Sackville</b> | <b>230</b> Suite number         |                                              |
| <b>240</b> Additional address information if applicable (line 220 must be completed first) |                                                                                  |                                 |                                              |
| <b>250</b> Municipality (e.g., city, town)<br><b>Sault Ste Marie</b>                       | <b>260</b> Province/state<br><b>ON</b>                                           | <b>270</b> Country<br><b>CA</b> | <b>280</b> Postal/zip code<br><b>P6B 6J6</b> |

**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](http://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** King **451** Glen  
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**

|            |                                                                                 |                                                        |                                                                                                                                                                                                                                                  |                |              |         |            |                 |
|------------|---------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|---------|------------|-----------------|
| <b>500</b> | <input type="checkbox"/>                                                        | Please enter one of the following numbers in this box: | 1 - Show no mailing address on the MGS public record.<br>2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.<br>3 - The corporation's complete mailing address is as follows: |                |              |         |            |                 |
| <b>510</b> | Care of (if applicable)                                                         |                                                        |                                                                                                                                                                                                                                                  |                |              |         |            |                 |
| <b>520</b> | Street number                                                                   | <b>530</b>                                             | Street name/Rural route/Lot and Concession number                                                                                                                                                                                                | <b>540</b>     | Suite number |         |            |                 |
| <b>550</b> | Additional address information if applicable (line 530 must be completed first) |                                                        |                                                                                                                                                                                                                                                  |                |              |         |            |                 |
| <b>560</b> | Municipality (e.g., city, town)                                                 |                                                        | <b>570</b>                                                                                                                                                                                                                                       | Province/state | <b>580</b>   | Country | <b>590</b> | Postal/zip code |

**Part 6 – Language of preference**

|            |                          |                                                                                                                                                                                                                                                                 |
|------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>600</b> | <input type="checkbox"/> | Indicate your language of preference by entering <b>1</b> for English or <b>2</b> 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. |
|------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Corporate Taxpayer Summary

## Corporate information

|                                                   |                                                |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |
|---------------------------------------------------|------------------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
| Corporation's name                                | Algoma Power Inc.                              |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |
| Taxation Year                                     | 2017-01-01 to 2017-12-31                       |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |
| Jurisdiction                                      | Ontario                                        |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |
| BC                                                | AB                                             | SK                       | MB                       | ON                                  | QC                       | NB                       | NS                       | NO                       | PE                       | NL                       | XO                       | YT                       | NT                       | NU                       | OC                       |  |
| <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                 | 100                                            |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |
| Type of corporation                               | Corporation Controlled by a Public Corporation |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |
| Total amount due (refund) federal and provincial* |                                                |                          |                          |                                     |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |  |

\* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

## Summary of federal information

|                                                                         |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-------------------------------------------------------------------------|-------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Net income                                                              | 1,392,884                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Taxable income                                                          | 1,338,469                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Donations                                                               | 54,415                        |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Calculation of income from an active business carried on in Canada      | 1,392,884                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends paid                                                          |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends paid – Regular                                                |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 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 |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance of the general rate income pool at the end of the year          |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Part I tax (base amount)                                                | 508,618                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Credits against part I tax</b>                                       | <b>Summary of tax</b>         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Small business deduction                                                | 200,770                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| M&P deduction                                                           |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Foreign tax credit                                                      |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment tax credits                                                  |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Abatement/Other*                                                        | 307,848                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | Provincial or territorial tax |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | 153,924                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | <b>Refunds/credits</b>        |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | ITC refund                    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | Dividends refund              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | Instalments                   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | 354,694                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | Other*                        |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         |                               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                         | <b>Balance due/refund (-)</b> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

\* 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

|                              |           |
|------------------------------|-----------|
| <b>Carryforward balances</b> |           |
| Financial statement reserve  | 4,133,183 |



## Summary of provincial information – provincial income tax payable

|                                       | Ontario   | Québec<br>(CO-17) | Alberta<br>(AT1) |
|---------------------------------------|-----------|-------------------|------------------|
| Net income                            | 1,392,884 |                   |                  |
| Taxable income                        | 1,338,469 |                   |                  |
| % Allocation                          | 100.00    |                   |                  |
| Attributed taxable income             | 1,338,469 |                   |                  |
| Tax payable before deduction*         | 153,924   |                   |                  |
| Deductions and credits                |           |                   |                  |
| Net tax payable                       | 153,924   |                   |                  |
| Attributed taxable capital            | N/A       |                   | N/A              |
| Capital tax payable**                 | N/A       |                   | N/A              |
| Total tax payable***                  | 153,924   |                   |                  |
| Instalments and refundable credits    |           |                   |                  |
| Balance due/Refund (-)                | 153,924   |                   |                  |
| <b>Logging tax payable (COZ-1179)</b> |           |                   |                  |
| 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<br>used to calculate<br>the business limit<br>reduction<br>(T2, line 415) | Taxable capital<br>used to calculate<br>the SR&ED<br>expenditure limit<br>for a CCPC<br>(Schedules 31<br>and 49) | Taxable capital<br>used to calculate<br>line 233 of<br>the T2 return | Taxable capital<br>used to calculate<br>line 234 of<br>the T2 return |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| Algoma Power Inc.                                       |                                                                                           |                                                                                                                  | 44,378,857                                                           | 44,378,857                                                           |
| 0395518 B.C. Ltd.                                       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| 10019992 Canada Inc.                                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| 1228158 Ontario Limited                                 | 1                                                                                         |                                                                                                                  | 1                                                                    | 1                                                                    |
| 16006059 Ontario Inc.                                   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Advanced Energy Technologies, Inc.                      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Aitken Creek Gas Storage ULC                            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| BC Gas (Argentina) S.A.                                 |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| BC Gas (Malaysia) SDN. BHD.                             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Belize Electrical Company Limited                       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Big Chino Valley Pumped Storage LLC                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Canadian Niagara Power Inc.                             | 55,111,713                                                                                |                                                                                                                  | 53,291,067                                                           | 53,291,067                                                           |
| Caribbean Utilities Company, Ltd.                       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Central Hudson Electric Transmission LLC                |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Central Hudson Enterprise Corp.                         |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Central Hudson Gas & Electric Corp.                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Central Hudson Gas Transmission LLC                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| CH Energy Group Inc.                                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Cornwall Street Railway Light and Power Company Limited | 24,516,051                                                                                |                                                                                                                  | 25,809,050                                                           | 25,809,050                                                           |
| Desert Southwest Storage Holdings LLC                   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Escavada Leasing Company                                |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis (WP) GP Inc.                                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Alberta Holdings Inc.                            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis BC LNG Development Inc.                          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Cayman Inc.                                      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |

**Federal**

| Corporate name                              | Taxable capital<br>used to calculate<br>the business limit<br>reduction<br>(T2, line 415) | Taxable capital<br>used to calculate<br>the SR&ED<br>expenditure limit<br>for a CCPC<br>(Schedules 31<br>and 49) | Taxable capital<br>used to calculate<br>line 233 of<br>the T2 return | Taxable capital<br>used to calculate<br>line 234 of<br>the T2 return |
|---------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| Fortis Energy (Bermuda) Ltd.                |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Energy Cayman inc.                   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Energy Corporation                   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Energy International (Belize) Inc.   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Generation Inc.                      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Hawaii Energy Inc                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Hydro Corporation                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Inc.                                 |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis LNG GP Inc.                          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Fortis Properties Corporation               |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisAlberta Inc.                          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Alternative Energy Services Inc.   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Energy Inc.                        |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Holdings Inc.                      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Huntington Inc.                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Inc.                               |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Midstream Inc.                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisBC Pacific Holdings Inc.              |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisLUX Holdings Inc.                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisOntario District Heating Inc.         | 43,857                                                                                    |                                                                                                                  | 43,857                                                               | 43,857                                                               |
| FortisOntario Inc.                          | 198,551,379                                                                               |                                                                                                                  | 207,073,865                                                          | 207,073,865                                                          |
| FortisTCI Limited                           |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisUS Holdings Nova Scotia Limited       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisUS Inc.                               |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| FortisWest Inc.                             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Green Power Express LLC                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Inland Energy Corp.                         |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Inland Pacific Energy Services              |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| International Transmission Company          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Equipment, LLC                          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Great Plains, LLC                       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Green Power Express LLC                 |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Grid Development, LLC                   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Holdings Corporation                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Interconnection LLC                     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Investment Holdings Inc.                |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Lake Erie Connector LLC                 |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Lake Erie Holdings LLC                  |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Mid-Atlantic Development LLC            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Midcontinent Development LLC            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Midsouth LLC                            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Midwest LLC                             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC New York Development LLC                |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Panhandle Transmission, LLC             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC Project Holdings LLC                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| ITC South Central Development LLC           |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Maritime Electric Company, Limited          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| MEH Equities Management Company             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| MEH Storage LLC                             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| METC GP Holdings, Inc                       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Michigan Electric Transmission Company, LLC |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Michigan Transco Holdings LLC               |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Millennium Energy Holdings, Inc.            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |

**Federal**

| Corporate name                        | Taxable capital<br>used to calculate<br>the business limit<br>reduction<br>(T2, line 415) | Taxable capital<br>used to calculate<br>the SR&ED<br>expenditure limit<br>for a CCPC<br>(Schedules 31<br>and 49) | Taxable capital<br>used to calculate<br>line 233 of<br>the T2 return | Taxable capital<br>used to calculate<br>line 234 of<br>the T2 return |
|---------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| Mt. Hayes (GP) Ltd.                   |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| New York Transmission Holdings Corp.  |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Newfoundland Electric Company Limited |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Newfoundland Energy Luxembourg        |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Newfoundland Industries Limited       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Newfoundland Power Inc.               |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| NGIV2, LLC                            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Powertrusion International, Inc.      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| San Carlos Resources Inc.             |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Southwest Energy Solutions, Inc.      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Terasen International Inc.            |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Tucson Electric Power Company         |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Tucsonel Inc.                         |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Turks and Caicos Utilities Limited    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Unisource Energy Development Company  |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Unisource Energy Services, Inc.       |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| UNS Electric, Inc.                    |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| UNS Energy Corporation                |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| UNS Gas, Inc.                         |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Waneta Expansion General Partner      |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Waneta Power General Partner Ltd.     |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Wataynikaneyap Power PM Inc.          |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| West Kootenay Power Ltd.              |                                                                                           |                                                                                                                  |                                                                      |                                                                      |
| Total                                 | 278,223,001                                                                               |                                                                                                                  | 330,596,697                                                          | 330,596,697                                                          |

**Québec**

| Corporate name | Paid-up capital<br>used to calculate<br>the Québec<br>business limit<br>reduction (CO-771)<br>and to calculate<br>the additional<br>deduction for<br>transportation<br>costs of remote<br>manufacturing<br>SMEs (CO-156.TR) | Paid-up capital<br>used to calculate<br>the tax credit<br>for investment<br>(CO-1029.8.36.IN) | Paid-up capital<br>used to calculate<br>the 1 million<br>deduction<br>(CO-1137.A and<br>CO-1137.E) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                             |                                                                                               |                                                                                                    |
| Total          |                                                                                                                                                                                                                             |                                                                                               |                                                                                                    |

**Ontario**

| Corporate name | Specified capital<br>used to calculate<br>the expenditure<br>limit – Ontario<br>innovation tax<br>credit<br>(Schedule 566) |
|----------------|----------------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                            |
| Total          |                                                                                                                            |

Other provinces

| Corporate name | Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306) |
|----------------|--------------------------------------------------------------------------------------------------------------------|
|                |                                                                                                                    |
| Total          |                                                                                                                    |

## Five-Year Comparative Summary

|                                                                                                                     | Current year             | 1st prior year           | 2nd prior year           | 3rd prior year           | 4th prior year           |
|---------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Federal information (T2)</b>                                                                                     |                          |                          |                          |                          |                          |
| Taxation year end                                                                                                   | <b>2017-12-31</b>        | <b>2016-12-31</b>        | <b>2015-12-31</b>        | <b>2014-12-31</b>        | <b>2013-12-31</b>        |
| Net income                                                                                                          | 1,392,884                | 1,236,578                | 1,655,243                | -673,530                 | 728,858                  |
| Taxable income                                                                                                      | 1,338,469                | 1,179,387                | 1,593,006                |                          | 692,489                  |
| Active business income                                                                                              | 1,392,884                | 1,236,578                | 1,655,243                |                          | 728,858                  |
| Dividends paid                                                                                                      |                          |                          |                          | 2,000,000                |                          |
| Dividends paid – Regular                                                                                            |                          |                          |                          | 2,000,000                |                          |
| Dividends paid – Eligible                                                                                           |                          |                          |                          |                          |                          |
| LRIP – end of the previous year                                                                                     |                          |                          |                          |                          |                          |
| LRIP – end of the year                                                                                              |                          |                          |                          |                          |                          |
| GRIP – end of the previous year                                                                                     |                          |                          |                          |                          |                          |
| GRIP – end of the year                                                                                              |                          |                          |                          |                          |                          |
| Donations                                                                                                           | 54,415                   | 57,191                   | 39,262                   | 22,975                   | 19,543                   |
| Balance due/refund (-)                                                                                              |                          | -58,117                  | -181,833                 | -350,021                 | -175,100                 |
| Line 996 – Amended tax return                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Loss carrybacks requested in prior years to reduce taxable income</b>                                            |                          |                          |                          |                          |                          |
| Taxation year end                                                                                                   | <b>2017-12-31</b>        | <b>2016-12-31</b>        | <b>2015-12-31</b>        | <b>2014-12-31</b>        | <b>2013-12-31</b>        |
| Taxable income before loss carrybacks                                                                               | N/A                      | N/A                      | 1,593,006                |                          | 692,489                  |
| Non-capital losses                                                                                                  | N/A                      | N/A                      |                          |                          | 297,132                  |
| 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                      |                          |                          | 297,132                  |
| Adjusted taxable income after loss carrybacks                                                                       | N/A                      | N/A                      | 1,593,006                |                          | 395,357                  |
| <b>Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)</b> |                          |                          |                          |                          |                          |
| Taxation year end                                                                                                   | <b>2017-12-31</b>        | <b>2016-12-31</b>        | <b>2015-12-31</b>        | <b>2014-12-31</b>        | <b>2013-12-31</b>        |
| Adjusted taxable income before current year loss carrybacks*                                                        | N/A                      | 1,179,387                | 1,593,006                |                          | 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                      | 1,179,387                | 1,593,006                |                          | N/A                      |

\* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

**Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax**

| Taxation year end                                                                      | 2017-12-31 | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 |
|----------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks | N/A        | N/A        |            |            |            |
| Non-capital losses                                                                     | N/A        | N/A        |            |            |            |
| Farm losses                                                                            | N/A        | N/A        |            |            |            |
| Total loss carried back to prior years                                                 | N/A        | N/A        |            |            |            |
| Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks  | N/A        | N/A        |            |            |            |

**Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)**

| Taxation year end                                                                                      | 2017-12-31 | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 |
|--------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks*** | N/A        |            |            |            | N/A        |
| Non-capital losses                                                                                     | N/A        |            |            |            | N/A        |
| Farm losses                                                                                            | N/A        |            |            |            | N/A        |
| Total current year losses carried back to prior years                                                  | N/A        |            |            |            | N/A        |
| Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks                  | N/A        |            |            |            | N/A        |

\*\* The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

\*\*\* The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

**Federal taxes**

| Taxation year end | 2017-12-31 | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 |
|-------------------|------------|------------|------------|------------|------------|
| Part I            | 200,770    | 176,908    | 238,950    |            | 97,873     |
| Part IV           |            |            |            |            |            |
| 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       |            |            |            |            |            |
| Investment tax credit    |            |            |            |            | 6,000      |
| Abatement/other*         | 307,848    | 271,259    | 366,392    |            | 159,273    |

\* 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   |            |            |            |            |            |
| Instalments       | 354,694    | 370,112    | 600,000    | 354,000    | 350,000    |
| 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                   | <b>2017-12-31</b> | <b>2016-12-31</b> | <b>2015-12-31</b> | <b>2014-12-31</b> | <b>2013-12-31</b> |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net income                          | 1,392,884         | 1,236,578         | 1,655,243         | -673,530          | 728,858           |
| Taxable income                      | 1,338,469         | 1,179,387         | 1,593,006         |                   | 692,489           |
| % Allocation                        | 100.00            | 100.00            | 100.00            | 100.00            | 100.00            |
| Attributed taxable income           | 1,338,469         | 1,179,387         | 1,593,006         |                   | 692,489           |
| Surtax                              |                   |                   |                   |                   |                   |
| Income tax payable before deduction | 153,924           | 135,630           | 183,196           |                   | 79,636            |
| Income tax deductions /credits      |                   | 543               | 3,979             |                   | 1,732             |
| Net income tax payable              | 153,924           | 135,087           | 179,217           |                   | 77,904            |
| Taxable capital                     |                   |                   |                   |                   |                   |
| Capital tax payable                 |                   |                   |                   |                   |                   |
| Total tax payable*                  | 153,924           | 135,087           | 179,217           | 3,979             | 77,904            |
| Instalments and refundable credits  |                   |                   |                   |                   | 877               |
| Balance due/refund**                | 153,924           | 135,087           | 179,217           | 3,979             | 77,027            |

\* 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.

**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

1. Basis of accounting and summary of significant accounting policies

Incorporation

Algoma Power Inc. ("API" or the "Company") is engaged in the distribution of electricity to the area adjacent to Sault Ste. Marie, Ontario and is subject to the regulations of the Ontario Energy Board ("OEB").

API operated as a division of Great Lakes Power Limited ("GLPL") from January 1, 2009 to June 30, 2009. In order to comply with Section 71 of OEB regulatory requirements, GLPL split out its distribution division by creating a separate legal entity called Great Lakes Power Distribution Inc. ("GLPDI"). This entity began operating as a separate legal entity effective July 1, 2009. On October 8, 2009, there was a change of control as Fortis Ontario Inc.

(the "Parent") acquired 100% of the shares of GLPDI and changed the name to Algoma Power Inc.

(a) Basis of accounting

These financial statements have been prepared in accordance with the accounting standards for private enterprises ("ASPE"), as per Part II of the CPA Handbook - Accounting, which constitutes generally accepted accounting principles for non-publicly accountable enterprises in Canada.

(b) Significant accounting policies Regulation

The distribution rates of API are based upon cost-of-service rate regulation by the OEB. Earnings are regulated on the basis of a rate of return on rate base plus a recovery of all allowable distribution costs of API.

API is subject to Ontario Regulation 335/07, which is the Rural and Remote Rate Protection subsidy program ("RRRP"). The RRRP is calculated as the deficiency between the approved revenue requirement from the OEB and current customer distribution rates adjusted for the average rate increase across the Province of Ontario. API qualifies for this subsidy because it has less than



**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

seven customers per kilometre and a service area that extends beyond 10,000 kilometres. All general service and large customer classes have been reclassified as residential class under Ontario Regulation 445/07.

On August 14, 2015, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2016, based on 4GIRM. The OEB calculated the value of the inflation factor for incentive rate setting, for rate changes effective in 2016, to be 2.1%. The OEB assigned a stretch factor of 0.6% based on the updated benchmarking study for use for rates effective in 2016. The resulting net price cap index adjustment for API was 1.5% (i.e.  $2.1\% - (0\% + 0.6\%)$ ). The 1.5% adjustment applies to distribution rates [fixed and variable charges] uniformly for the Seasonal and Street Lighting customer classes. The OEB approved the application of the 1.8% RRRP adjustment factor to the distribution rates for the Residential R-1 and Residential R-2 classes. The OEB found that the amount of RRRP of \$13,678 for the year commencing January 1, 2016 accurately reflected the OEB's findings pursuant to the applicable regulations and approved a monthly payment of \$1,140 effective January 1, 2016.

1. Basis of accounting and summary of significant accounting policies  
(continued)

(b) Significant accounting policies (continued) Regulation (continued)  
Beginning with electricity distribution rates effective in 2016, decoupling of electricity distribution rates for the Residential customer class was being introduced; complete decoupling is expected to take eight consecutive years for residential customers and ten years for seasonal customers to fully implement.

**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

On August 12, 2016, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2017, based on 4GIRM. On

October 27, 2016, the OEB updated its inflation factor for 2017 Price Cap IR applications, and subsequently provided API with a calculation of the RRRP rate adjustment applicable to API's Residential customer classes. The net price cap index adjustments for API was updated to be 1.3% (i.e.  $1.9\% - (0\% + 0.6\%)$ ). This was based on a province-wide inflation factor of 1.9%, less productivity factor of 0% and stretch factor of 0.6%. The assignment of the stretch factors was determined by the OEB as a result of updates to its benchmarking analysis research. The rate increase applicable to Residential classes, based on the OEB's RRRP calculation is 2.96%. The OEB found that the amount of RRRP of \$13,499 for the year commencing January 1, 2017 accurately reflects the OEB's findings pursuant to the applicable regulations and approved a monthly payment of \$1,125 effective January 1, 2017.

On August 14, 2017, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2018, based on 4GIRM. The application includes Residential decoupling calculations in accordance with the

Board's Policy for transition to fully fixed rates. For the application, a stretch factor of 0.60% was approved based on the updated benchmarking study for rates effective in 2018. As a result, the net price cap index adjustment for API was 0.6% (i.e.  $1.2\% - (0\% + 0.6\%)$ ). The 0.6% adjustment will be applied to distribution rates for the Seasonal and Street Lighting customer classes, following other adjustments to reflect changes in cost allocation between classes resulting from the settlement agreement in API's 2015 Cost of Service application. A Rural and RRRP adjustment factor of 2.52% will be applied to the distribution rates for the Residential R-1 and Residential R-2

**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

classes.

#### Materials and supplies

Materials and supplies are recorded at average cost. Materials and supplies expensed to operating expense in 2017 were \$43 (\$27 in 2016).

#### Utility capital assets and capitalization policy

Distribution assets are those used to distribute electricity at lower voltages (generally below 50 kilovolts). These assets include poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

#### 1. Basis of accounting and summary of significant accounting policies (continued)

##### (b) Significant accounting policies (continued)

##### Utility capital assets and capitalization policy (continued)

The service life range and average remaining service life of the utility capital assets are as follows:

##### Service life range

(years)

##### Average remaining service life (years)

**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

Distribution 10 to 50 37.3

Other 5 to 20 6.1

Utility capital assets are stated at cost less accumulated amortization.

Amortization is provided over the estimated useful lives of the utility capital assets using the

straight-line method at a composite rate 2.10% (2.08% in 2016)

Contributions in aid of construction represent funding of utility capital assets contributed by customers. These accounts are being reduced annually by an amount equal to the charge for amortization provided on the contributed portion of the assets involved.

#### Capitalization policy

The Company's capitalization policy is in accordance with the OEB's requirements to use a "modified IFRS" accounting basis. API, as permitted by the OEB, has recognized the financial differences arising as a result of the 2013 accounting changes to amortization expense and capitalization policies (Note 14).

#### Intangible assets

Intangible assets are stated at cost less accumulated amortization.

Amortization is provided over the estimated useful lives of the intangible assets using the straight-line method.

The service life range and average remaining service life of the intangible assets are as follows:

Service life range (years)

**Name: Algoma Power Inc.**

**BN: 82249 4290 RC 0001**

**Tax Year Start: 2017-01-01**

**Tax Year End: 2017-12-31**

Average remaining service life (years)

Software costs 5 to 10 4.8

Land rights and other 40 to 50 29.7

#### Asset retirement obligations

ASPE requires the recognition of an asset retirement obligation in the period during which a legal obligation associated with the retirement of a tangible long-lived asset is incurred and when a reasonable estimate of this amount can be made.

The Company has determined that there are asset retirement obligations associated with some parts of its distribution systems; however, none of these are material requiring recognition under Section 3110 of the CPA Handbook.

#### 1. Basis of accounting and summary of significant accounting policies

(continued)

##### (b) Significant accounting policies (continued) Revenue recognition

Revenue from the distribution of electricity is recognized on the accrual basis. Electricity is metered upon delivery to customers and is recognized as revenue using approved rates when consumed. Meters are read periodically and bills are issued to customers based on these readings. At the end of the year, a certain amount of consumed electricity will not have been billed.

Electricity that is consumed but not yet billed to the customers is estimated and accrued as revenue in the current year.

Unbilled revenue included in accounts receivable as at December 31, 2017 is

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\$2,857 (\$3,337 in 2016).

#### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the balance sheet date. Gains and losses on translation are included in the statement of earnings. Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the transaction date.

#### Employee benefit plans

Effective January 1, 2014, the Company has adopted new CPA Handbook Section 3462, Employee Future Benefits, for its accounting of pension benefits and other retirement benefits. As allowed under new Section 3462, the Company has made an accounting policy choice to measure its defined benefit plan obligations using the funding valuation approach. This approach uses the most recent completed actuarial valuations prepared for funding purposes as the basis of measuring defined benefit plan obligations. Even though other retirement benefits are not funded, Section 3462 requires that such liabilities can be measured on a basis consistent with funded plans. As well, the Company is using a roll-forward technique in the years between valuations to estimate the defined benefit obligations. Pension plan assets are valued at fair value as of the balance sheet date.

The Company made an application to the OEB to continue to account for pension and other retirement benefits under the former Section 3461. In December 2013, the OEB issued a Decision and Order approving the establishment of specific variance accounts as of January 1, 2013 to recognize the difference in expense between Sections 3461 and 3462 as long-term regulatory assets or liabilities

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for 2013 and future years, which will be disposed of in future cost of service proceedings, subject to the OEB's prudence review at that time

#### Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities. Future tax assets and liabilities are measured using the enacted and the substantively enacted tax rates expected to apply to taxable income in the period in which temporary differences are expected to be recovered or settled. The Company recognizes regulatory assets and liabilities related to future income tax liabilities and assets for the amount of future income taxes expected to be recovered from customers in future electricity rates.

#### 1. Basis of accounting and summary of significant accounting policies

(continued)

##### (b) Significant accounting policies (continued) Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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2. Utility capital assets

Utility capital assets consist of the following:

2017

Cost Accumulated  
amortization Net book  
value

Distribution Other \$

141,863

11,104 \$

55,326

6,914 \$

86,537

4,190

152,967 62,240 90,727

2016

Cost Accumulated  
amortization Net book



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value

\$ \$ \$

Distribution 136,070 53,392 82,678

Other 10,375 6,452 3,923

146,445 59,844 86,601

The amounts above include assets under construction, which are not subject to amortization, of \$2,011 (\$1,751 in 2016).

### 3. Intangible assets

Intangible assets consist of the following:

Land rights and right of ways Software costs

### 3. Intangible assets (continued)

2016

Cost Accumulated

amortization Net book

value

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**Tax Year End: 2017-12-31**

\$ \$ \$

Land rights and right of ways 20,847 4,602 16,245

Softw are costs 2,801 1,610 1,191

23,648 6,212 17,436

#### 4. Employee future benefits

The Company maintains a defined benefit pension plan and a defined contribution pension plan providing pension benefits, and defined benefit plans providing other retirement benefits.

Information about API's benefit plans is as follows:

Pension benefit plans Other retirement plans

Accrued benefit obligation Balance, beginning of year

Current service costs Finance costs Employee contributions Benefits paid

Actuarial (gains) losses Balance, end of year

Plan assets

Fair value, beginning of year Interest income

Return on plan assets Contributions Benefits paid

Fair value, end of year

Funded status - plan surplus (deficit)

The measurement date for the plan assets and the accrued benefit obligation was as at December 31, 2017. The effective date of the most recent actuarial

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valuation was as at December 31, 2014 and the date of the next required valuation for funding purposes is as at December 31, 2017, and will be completed by September 2018.

4. Employee future benefits (continued)

The plan assets held at the measurement date are represented by the following categories:

Canadian equity funds Foreign equity funds Canadian fixed income funds

As at December 31, 2017, one of the defined benefit pension plans had a net accrued benefit liability of \$321 (\$350 in 2016). This plan had no plan assets in 2017 or 2016.

Pension benefit plans Other retirement plans

Significant assumptions used Discount rate, beginning of year Discount rate, end of year

Rate of compensation increase Initial health care trend rate Average remaining service of active employees (years)

Net benefit expense for the year Current service costs

Finance costs Remeasurement costs Regulatory adjustments

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Net benefit expense

The total expense for the Company's defined contribution pension plan for the year amounted to \$113 (\$122 in 2016).

#### 5. Income taxes

The provision for income taxes consists of the following:

Current income taxes Future income taxes

Future income taxes transferred to regulatory assets

During the year, the Company recorded \$843 in regulatory assets and a corresponding decrease to future income tax expense, for the amount of future income taxes expected to be collected from customers in future electricity rates.

#### 5. Income taxes (continued)

Future tax assets (liabilities) are comprised of the following:

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Future tax assets (liabilities) Utility capital assets Employee future  
benefits Rate mitigation accrual Regulatory assets  
Other assets  
Net future tax liabilities

#### 6. Related party transactions

During the year, the Company entered into transactions with related parties  
summarized as follows:

Dividends paid to FortisOntario Inc. Interest paid to FortisOntario Inc.

Management fees paid to FortisOntario Inc.

Reimbursement for expenses paid on behalf of and services provided to  
FortisOntario Inc.

Administrative service fees from Canadian Niagara Power Inc.

Reimbursement for expenses paid on behalf of and services provided by Canadian  
Niagara Power Inc.

Reimbursement for expenses paid on behalf of and services provided by  
FortisOntario Inc.

Reimbursement for expenses paid on behalf of and services provided by Cornwall  
Street Railway,  
Light and Power Company Limited.

These transactions are in the normal course of operations and are measured at  
the exchange amount, which is the amount of consideration established and  
agreed to by the related parties.

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As at December 31, the amounts due from related parties are summarized as follows:

FortisOntario Inc.

6. Related party transactions (continued)

Details of relationships with related parties are as follows:

" FortisOntario Inc. owns a 100% interest in the capital stock of the Company

" Cornwall Street Railway, Light and Power Company Limited is a wholly owned subsidiary of FortisOntario Inc.

" Canadian Niagara Power Inc. is a wholly owned subsidiary of FortisOntario Inc.

7. Long-term debt

Long-term debt consists of the following:

5.118% senior unsecured notes due on December 16, 2041

Unamortized debt issue costs

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The senior unsecured notes bear interest at 5.118% and are repayable at maturity on December 16, 2041. The senior unsecured notes were issued on December 16, 2011 and interest is payable semi-annually. Interest expense for the year amounted to \$2,661 (\$2,661 in 2016).

#### 8. Capital stock

The authorized and issued shares consist of 90,831,810 common shares without par value.

#### 9. Amortization

Amortization consists of the following:

Amortization of utility capital assets Amortization of intangible assets  
Amortization of contributions in aid of construction Vehicle amortization  
allocated

#### 10. Statement of cash flows

The net change in non-cash working capital balances related to operations consists of the following:

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Accounts receivable Income taxes receivable Materials and supplies Regulatory  
assets/ liabilities Prepaid expenses  
Due to/from related parties  
Accounts payable and accrued liabilities

Supplemental cash flow information:

Interest paid Income taxes paid

The restricted cash is a deposit held by the Ministry of Environment for a  
Certificate of Approval.

#### 11. Commitments and contingencies

API has a building lease agreement with Hydro One Sault Ste Marie LLP until  
December 31, 2019 with annual rent, operating costs and municipal taxes of  
\$600.

#### 12. Financial risk management

The Company is primarily exposed to credit risk, liquidity risk and market  
risk as a result of holding financial instruments in the normal course of  
business.

Credit risk - Risk that a third party to a financial instrument might fail to  
meet its obligations under the terms of the financial instrument.



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Liquidity risk - Risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Market risk - Risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

#### Credit risk

For cash and accounts receivable due from customers, API's credit risk is limited to the carrying value on the balance sheet.

API is exposed to credit risk from its distribution customers but has various policies to minimize this risk. These policies include requiring customer deposits, performing disconnections and using third-party collection agencies for overdue accounts. API has a large and diversified distribution customer base which minimizes the concentration of credit risk.

#### 12. Financial risk management (continued)

The aging of the Company's trade and other receivables due from customers is as follows:

Not past due

Past due 0-30 days Past due 31-60 days

Past due 61 days and over

Less allowance for doubtful accounts

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#### Liquidity risk

Liquidity risk to API is minimized since the financing of regulated capital and other expenditures is done through internally generated funds. These funds are a result of allowable rate regulated returns and recoveries under the OEB rate regulations mechanism.

API is a subsidiary of the Parent, which is a wholly owned 100% by Fortis Inc., a large investor owned utility, which has had the ability to raise sufficient and cost-effective financing. However, the ability to arrange financing on a go-forward basis is subject to numerous factors, including the results of operations and financial position of Fortis Inc. and its subsidiaries, conditions in the capital and bank credit markets, ratings assigned by rating agencies and general economic conditions.

To mitigate any liquidity risk, the Company is a party to a committed revolving credit facility and letters of credit facilities totaling \$40,000, of which \$18,700 is unused. This credit agreement is shared among the subsidiaries of the Parent and is renewed on an annual basis.

The facility is guaranteed by the Parent company and bear interest at the bankers' acceptance rate plus 1.20% in the case of bankers' acceptances and at the bank's prime lending rate plus 0.20% in the case of bank loans.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2017:

Accounts payable and accrued liabilities

Government remittances payable

Customer deposits Long-term debt

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**Tax Year End: 2017-12-31**

Interest rate risk

Long-term debt is at fixed interest rates thereby minimizing cash flow and interest rate fluctuation exposure. The Company is primarily subject to risks associated with fluctuating interest rates on its short-term borrowings. Short-term borrowings for 2017 and 2016 are nil.

### 13. Capital management

API manages its capital to approximate the deemed capital structure reflected in the utility's customer rates or anticipated future rates. API's distribution rates effective on January 1, 2015 are based on a deemed capital structure of 60% debt and 40% equity. API's capital structure consists of third-party debt and common equity, but excludes unamortized debt issue costs. The managed capital is as follows:

Debt Equity

### 14. Regulatory assets and liabilities

Regulatory liabilities net of regulatory assets arise as a result of regulatory requirements.

The Company pays the cost of power on behalf of its customers and recovers these costs through retail billings to its customers. The cost of power

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includes charges for transmission, wholesale market operations and the power itself from Ontario's Independent Electricity System Operator. The balance of the retail settlement variance account represents the costs that have not been recovered from, or settled through, customers as of the balance sheet date.

The OEB's Distribution Rate Handbook and Accounting Procedures Handbook allow these costs to be deferred and recovered through future rate adjustments as discussed in note 1. In the absence of rate regulation, these costs would be expensed in the period they are incurred.

The OEB has the general power to include or exclude costs, revenues, gains or losses in the rates of a specific period, resulting in the timing of revenue and expense recognition that may differ in the Company's regulated operations from those otherwise expected in non-regulated businesses. This change in timing gives rise to the recognition of regulatory assets and liabilities. The Company continually assesses the likelihood of recovery of its regulatory assets and believes that its regulatory assets and liabilities will be factored into the setting of future rates as discussed in note 1. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.

As of December 31, 2015, as discussed in note 1 under "Utility capital assets and capitalization policy", API had a regulatory liability in OEB account 1576 of \$1,128. These were transitional adjustments related to accounting changes to amortization and capitalization policy. As a result of the 2015 OEB Decision and Order, API recorded an additional regulatory liability of \$93 in 2017, relating to the regulatory return calculated on the approved cumulative regulatory liability of \$1,379. A reduction of the regulatory liability of \$376 occurred during 2017 due to a repayment to API's customers in the form of a rate rider, which is set to expire in December 2019. The cumulative regulatory liability balance as at December 31, 2017 was \$560, of which

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\$385 has been reported as current.

14. Regulatory assets and liabilities (continued)

API recorded the following regulatory assets and liabilities as at December 31:

Current regulatory assets

Amounts approved in current rates

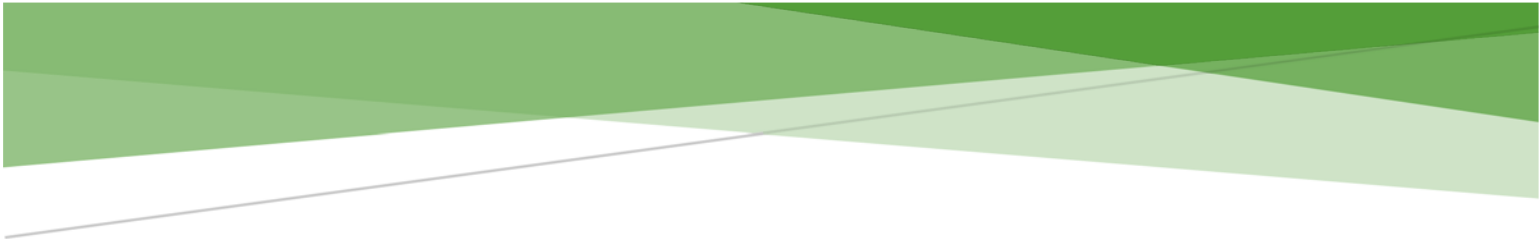
Long-term regulatory assets Amounts approved in current rates

Retail settlement and other variance accounts Future taxes to be recovered from customers Pension and other retirement benefits

Current regulatory liabilities Transitional accounting adjustments

Long-term regulatory liabilities

Retail settlement and other variance accounts Transitional accounting adjustments



# Appendix 4G

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019

# 2017 Final Verified Annual LDC CDM Program Results Report

## Letter from the Vice-President, Policy, Engagement & Innovation

June 29, 2018

To: Ontario's Local Distribution Companies

At the mid-way point of the Conservation First Framework (CFF) Ontario's Local Distribution Companies (LDCs) along with the IESO have shown significant progress towards the 2020 CFF 7.0 TWh target. The province has achieved 1.8 TWh of persisting energy savings in 2017, the highest performing year on record. Approximately 20% (\$364M) of the allocated \$1.835B CFF LDC Conservation Demand Management (CDM) budget was accounted for in 2017. From 2015, LDCs have achieved 4.8 TWh of energy savings, representing 69% of the CFF 7.0 TWh target. The savings realized to date demonstrate the significant efforts made by LDCs and the IESO in delivering and promoting conservation programs across the province.

### Key highlights from the 2017 results include:

- The share of residential portfolio savings increased for the third consecutive year, accounting for 46% of 2017 results, while the business portfolio program contributed to 45%, and local/pilot/centrally delivered programs accounting for 9% of 2017 savings.
- The Coupon & Instant Discount residential retail program produced a record achievement of 740 GWh of persisting energy savings, increasing by over 53% of the results from 2016. LED light bulbs remained the most common measure accounting 91% of savings.
- The Retrofit program achieved 663 GWh of persisting energy savings in 2017, which represents a small reduction in savings despite completing approximately half the number projects compared to 2016 results (including adjustments). Lighting continues to represent the majority of results, representing 79% of savings in 2017.
- The Process and Systems Upgrades Program achieved 15 GWh in 2017, but also verified an additional 65 GWh in 2016 completed projects and 11 GWh in 2015 completed projects as part of this year's evaluation. Behind-the-meter generation projects account for 82% of program savings-to-date.
  - o The data lag associated with unreported (yet completed) 2017 projects for the Retrofit and Process and Systems Upgrade programs remain an ongoing challenge. Together with the Heating & Cooling program, these programs have approximately 723 GWh in unverified savings yet to be reported by LDCs for which is anticipated to be reported a future verified annual results reports as 2017 adjustments.

Minor revisions were made to the final 2017 results relative to the preliminary 2017 results issued to LDCs on June 1, 2018. Details on the revisions between the 2017 preliminary and final verified results can be found in the 2017 Frequently Asked Questions (FAQs) along with key 2017 evaluation findings and province-wide and local program cost effectiveness test results posted alongside LDC results.

Consistent with prior year evaluation cycles, all 2017 final verified annual results reports will be posted on the IESO website in early July. LDC-specific cost effectiveness test results (program- and portfolio-level) will be available by September 15, 2017. Finally, 2017 EM&V reports will be available later this summer along with key program recommendations to be shared with the Joint Program Operations Committee (JPOC) and associated committees.

I look forward to the continued collaboration with LDCs and stakeholders building off lessons learned and implementing feedback from the mid-term review process to enhance current programs and future efforts.

Sincerely,

Terry Young  
Vice-President, Policy, Engagement & Innovation  
Independent Electricity System Operator

# 2017 Final Verified Annual LDC CDM Program Results Report

## Table of Contents

| #  | Worksheet Name                    | Worksheet Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | How to Use This Report            | Describes the contents and structure of this report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2  | Report Summary                    | <p>A high level summary of the Final 2017 Annual Verified Results Report, including:</p> <ol style="list-style-type: none"> <li>1) progress toward the LDC's: <ol style="list-style-type: none"> <li>a) Allocated 2020 Annual Energy Savings Target;</li> <li>b) Allocated 2015-2020 LDC CDM Plan Budget;</li> <li>c) CDM Plan 2015-2020 Forecasts;</li> </ol> </li> <li>3) annual savings and spending;</li> <li>4) Annual FCR Progress;</li> <li>5) annual LDC CDM Plan spending progress;</li> <li>6) graphs describing: <ol style="list-style-type: none"> <li>a) contribution to 2020 Target Achievement by program;</li> <li>b) 2017 LDC CDM Plan Budget Spending by Sector;</li> <li>c) annual energy savings persistence to 2020 by year;</li> <li>d) your Allocated Target achievement progress relative to your peers; and</li> <li>e) your LDC CDM Plan Budget Spending progress relative to your peers;</li> </ol> </li> </ol> |
| 3  | LDC Rankings                      | A comprehensive report of each LDC's performance rankings against all other LDCs in major performance categories.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 4  | LDC Progress                      | <p>A comprehensive report of 2017 conservation results including:</p> <ol style="list-style-type: none"> <li>1) activity;</li> <li>2) savings including: <ol style="list-style-type: none"> <li>a) energy and peak demand;</li> <li>b) net and gross;</li> <li>c) CDM Plan forecasts, verified actuals and relative progress;</li> <li>d) Allocated Target and Target achievement; and</li> </ol> </li> <li>3) spending, including participant incentives and administrative expenses and IESO Value Added Services Costs.</li> </ol> <p>Data is grouped by category and summarized at the LDC level.</p>                                                                                                                                                                                                                                                                                                                                  |
| 5  | Province-Wide Progress            | <p>A comprehensive report of 2016 conservation results including:</p> <ol style="list-style-type: none"> <li>1) activity;</li> <li>2) savings including: <ol style="list-style-type: none"> <li>a) energy and peak demand;</li> <li>b) net and gross;</li> <li>c) CDM Plan forecasts, verified actuals and relative progress;</li> <li>d) Allocated Target and Target achievement; and</li> </ol> </li> <li>3) spending, including participant incentives and administrative expenses and IESO Value Added Services Costs.</li> </ol> <p>Data is grouped by category and summarized at the province wide level.</p>                                                                                                                                                                                                                                                                                                                        |
| 6  | LDC Savings Persistence           | A report detailing the gross and net energy and peak demand savings persistence by program and implementation year (2015, 2015 Adjustment, 2016, 2016 Adjustment and 2017) at the LDC Level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 7  | Province-Wide Savings Persistence | A report detailing the gross and net energy and peak demand savings persistence by program and implementation year (2015, 2015 Adjustment, 2016, 2016 Adjustment and 2017) at the province wide Level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 8  | Methodology                       | A description of the methods used to calculate energy savings, financial results and cost-effectiveness.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 9  | Reference Table                   | Provides detailing how Province wide Consumer Program results were allocated to specific LDCs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 10 | Glossary                          | Definitions for the terms used throughout this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



- 1) Cost Effectiveness Test (CET) results at the: a) province-wide / program level is available and posted separately on LDC Extranet; b) LDC / program level will be available on the LDC Extranet by September 15, 2018; as per the Energy Conservation Agreement, version 3.0;
- 2) forecasts of: a) activity; b) savings; and c) spending; included in this report are based on approved LDC CDM Plan - Cost Effectiveness Tools as of December 31, 2017 (from the i) Program Design; ii) Budget Inputs; and iii) Savings Results worksheets);
- 3) Annual FCR Progress only includes Full Cost Recovery funding model program savings results and excludes Pay-for-Performance funding model program savings results;
- 4) The complete list of approved programs and pilots as of December 31, 2017 approved LDC CDM Plans have been included, however only programs and pilots in market for a sufficient period of time to enable a valid EM&V process will have verified results;
- 5) 2017 Verified Adjustments to prior years consists of projects completed in the associated year but were not reported to the IESO by previous year's reporting deadlines (March 31, 2016 and April 15, 2017);
- 6) Pilot program savings are attributed to the LDC where the pilot program project is located in; and
- 7) This Annual Verified Results Report provides results for the LDC and province only. No aggregated reporting is provided for LDCs that are part of a joint CDM plan;

# 2017 Final Verified Annual LDC CDM Program Results Report Summary

For: Algoma Power Inc.

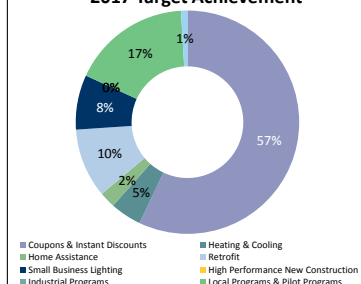
## Results

| # | Metric                                                                 | 2015<br>Verified Results | 2016<br>Verified Results | 2017<br>Verified Results | 2015-2017<br>Verified Results | Allocated<br>Target / Budget | 2015-2017<br>Progress versus<br>Allocated<br>Target / Budget | 2015-2020<br>LDC CDM Plan<br>Forecast | 2015-2017<br>Progress versus<br>2015-2020<br>LDC CDM Plan<br>Forecast | 2017<br>LDC CDM Plan<br>Forecast | 2017<br>Progress versus<br>2017<br>LDC CDM Plan<br>Forecast | 2015-2017<br>LDC CDM Plan<br>Forecast | 2015-2017<br>Progress versus<br>2015-2017<br>LDC CDM Plan<br>Forecast |
|---|------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|------------------------------|--------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------|
| 1 | Net Verified Annual Energy Savings Persisting to 2020                  | 1,077 MWh                | 1,428 MWh                | 2,232 MWh                | 4,737 MWh                     | 7,510 MWh                    | 63 %                                                         | 11,809 MWh                            | 40 %                                                                  | 1,439 MWh                        | 155 %                                                       | 3,364 MWh                             | 141 %                                                                 |
| 2 | LDC Ranking -<br>Net Verified Annual Energy Savings Persisting to 2020 | 55                       | 52                       | 47                       | 52                            | 51                           | 40                                                           | 44                                    | 67                                                                    | 48                               | 25                                                          | 50                                    | 20                                                                    |
| 3 | Total Spending (\$)                                                    | \$ 99,271                | \$ 345,886               | \$ 502,660               | \$ 947,817                    | \$ 2,107,963                 | 45 %                                                         | \$ 2,470,412                          | 38 %                                                                  | \$ 432,758                       | 116 %                                                       | \$ 888,411                            | 107 %                                                                 |
| 4 | LDC Ranking -<br>Total Spending (\$)                                   | 18                       | 43                       | 48                       | 43                            | 50                           | 5                                                            | 45                                    | 15                                                                    | 48                               | 12                                                          | 45                                    | 9                                                                     |

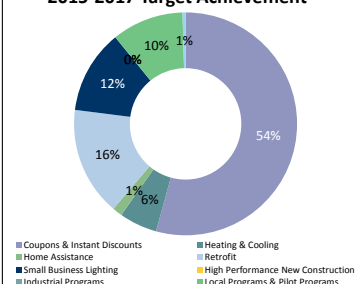
## Annual FCR Progress

| Annual FCR Progress |                                                                                     |                                                      |                                                      |                                                        |                                         |
|---------------------|-------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|-----------------------------------------|
| #                   | Metric                                                                              | 2015<br>Program Year                                 | 2016<br>Program Year                                 | 2017<br>Program Year                                   | Total<br>2015-2017<br>Framework-to-Date |
| 1                   | Net Verified 2020 Annual Energy Savings from Full Cost Recovery Programs            | 238 MWh                                              | 1,319 MWh                                            | 2,211 MWh                                              | 3,769 MWh                               |
| 2                   | CDM Plan Forecasted Net 2020 Annual Energy Savings from Full Cost Recovery Programs | 216 MWh<br>(2015 Annual Milestone from FCR Programs) | 709 MWh<br>(2016 Annual Milestone from FCR Programs) | 1,436 MWh<br>(2017 Annual Milestone from FCR Programs) | 2,361 MWh<br>(Cumulative FCR Milestone) |
| FCR Progress        |                                                                                     |                                                      |                                                      |                                                        | 159.6 %                                 |

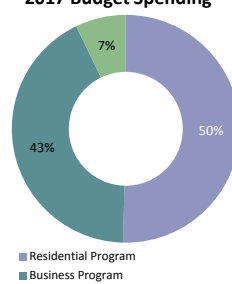
2017 Target Achievement



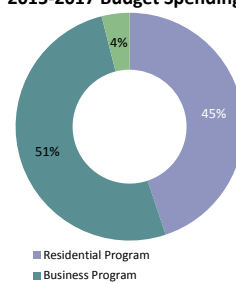
2015-2017 Target Achievement



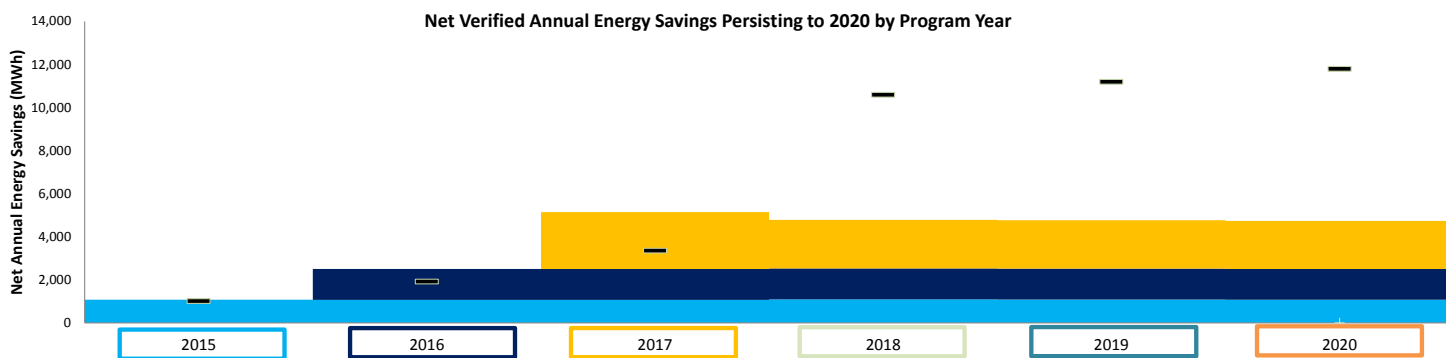
2017 Budget Spending



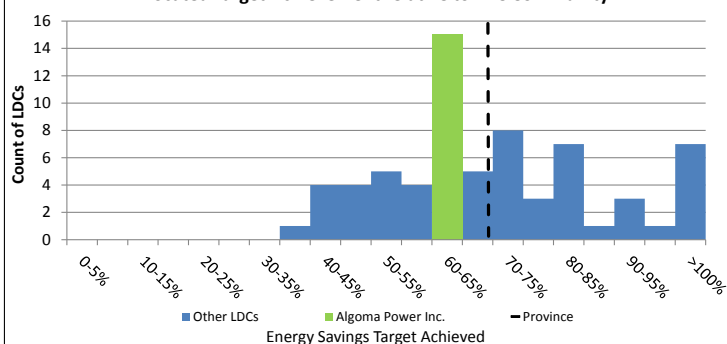
2015-2017 Budget Spending



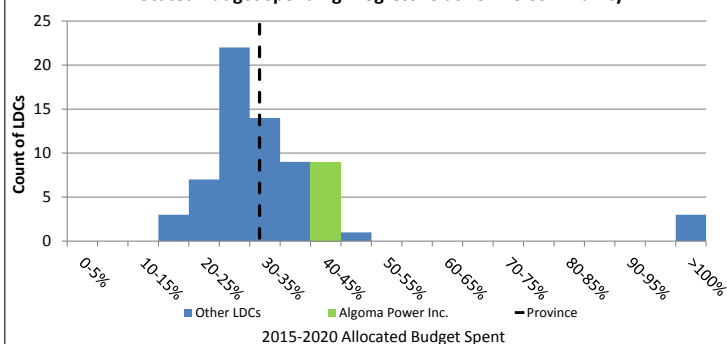
Net Verified Annual Energy Savings Persisting to 2020 by Program Year



Allocated Target Achievement relative to LDC Community



Allocated Budget Spending Progress relative LDC Community



[illegible]

For: Algoma Power Inc.

| 2015-2020 Conservation First Framework Programs      |                                            |
|------------------------------------------------------|--------------------------------------------|
| <b>Residential Province-Wide Programs</b>            |                                            |
| 1                                                    | Save on Energy Coupon Program              |
| 2                                                    | Save on Energy Instant Discount Program    |
| 3                                                    | Save on Energy Heatline & Coolline Program |
| 4                                                    | Save on Energy New Construction Program    |
| 5                                                    | Save on Energy Home Assistance Program     |
| <b>Sub-total: Residential Province-Wide Programs</b> |                                            |

## 2015-2020 Conservation First Framework Programs

| Residential Province-Wide Programs |                                 |
|------------------------------------|---------------------------------|
| 1                                  | County of Fresno County Program |

**Business Province-Wide Programs**

- 6. **Save on Energy Audit Fueling Program**
- 7. **Save on Energy Retrofit Program**
- 8. **Save on Energy Small Business Lighting Program**
- 9. **Save on Energy High Performance New Construction Program**
- 10. **Save on Energy Existing Building Commissioning Program**
- 11. **Save on Energy Business Refinement Incentive Program**
- 12. **Save on Energy Process & Systems Upgrades Program**
- 13. **Save on Energy Energy Manager Program**
- 14. **Save on Energy Monitoring & Targeting Program**
- 15. **Save on Energy Retrofit Program**
- 16. **Save on Energy Process & Systems Upgrades Program – P4P**

**Sub-total: Business Province-Wide Programs**

### Business Province-Wide Programs

**Local & Regional Programs**

- 17. Additive Thermostat Local Program
- 18. Business Refrigeration Incentives Local Program
- 19. Conservation on the Coast Home Assistance Local Program
- 20. Conservation on the Coast Small Business Lighting Local Program
- 21. First Nations Conservation Local Program
- 22. High Efficiency Appliance Central Pumping Local Program
- 23. Instant Savings Local Program
- 24. OilSaver Local Program
- 25. Pool Saver Local Program
- 26. PUMP4Water Local Program
- 27. RTU/Saver Local Program
- 28. Social Benchmarking Local Program

**Sub-total: Local & Regional Programs**

### Local & Regional Programs

LDC Innovation Fund Pilot Programs

|    |                                 |
|----|---------------------------------|
| 29 | Air Source Heat Pump – For Resi |
|----|---------------------------------|

|                                                |                                                                    |
|------------------------------------------------|--------------------------------------------------------------------|
| <b>Centrally Delivered Programs</b>            |                                                                    |
| 51                                             | Industrial Accelerator Program                                     |
| 52                                             | Save on Energy Energy Performance Program for Multi-Site Customers |
| 53                                             | Whole Home Pilot Program                                           |
| <b>Sub-total: Centrally Delivered Programs</b> |                                                                    |

### Centrally Delivered Programs

### Program Enabled Savings

|    |                          |
|----|--------------------------|
| 54 | Save on Energy Retrofits |
|----|--------------------------|

Other \_\_\_\_\_

|    |           |
|----|-----------|
| 57 | Non-Appro |
|----|-----------|

Sub-total: 2015-2020 Conservation First Framework

| Conservation Fund |                                             |
|-------------------|---------------------------------------------|
| 59                | Conservation Voltage Reduction Conservation |

|    |                                         |
|----|-----------------------------------------|
| 60 | EnerNOC Conservation Fund Pilot Program |
|----|-----------------------------------------|

2011-2014+2015 Extension Legacy Framework Programs

|                     |  |
|---------------------|--|
| Residential Program |  |
|---------------------|--|

|    |                                 |
|----|---------------------------------|
| 67 | Appliance Retirement Initiative |
| 68 | Coupon Initiative               |

|    |                         |
|----|-------------------------|
| 72 | Energy Audit Initiative |
|----|-------------------------|

|    |                                   |
|----|-----------------------------------|
| 73 | Efficiency: Equipment Replacement |
| 74 | Direct Install Lighting and Water |

|                    |                                                                         |
|--------------------|-------------------------------------------------------------------------|
| Industrial Program |                                                                         |
| 77                 | Process and Systems Upgrades Initiatives - Project Incentive Initiative |

|    |                |
|----|----------------|
| 78 | Process and Sy |
|----|----------------|

|    |                       |
|----|-----------------------|
| 80 | Low Income Initiative |
|----|-----------------------|

## Sub-total: Low-Inc

|                  |  |
|------------------|--|
| Sub-total: Other |  |
|------------------|--|

## Sub-total: 2011-2014+2015 Extension Legacy Framework

|       |  |
|-------|--|
| Total |  |
|-------|--|

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[illegible]

Net Incremental 2020 Annual Peak Demand Savings |

[illegible]





[illegible]

[illegible]



| Gross Incremental First Year Energy Savings |         |         |           |         |         |           |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |           |                                      |                                      |                                     |       |
|---------------------------------------------|---------|---------|-----------|---------|---------|-----------|-----------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|-----------|--------------------------------------|--------------------------------------|-------------------------------------|-------|
| Forecasted (kWh)                            |         |         |           |         |         |           | Verified (kWh)              |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |           |                                      | Progress (%)                         |                                     |       |
| 2015                                        | 2016    | 2017    | 2018      | 2019    | 2020    | Total     | 2015<br>Verified<br>Results | 2016<br>Verified<br>2015<br>Results<br>Adjustments | 2017<br>Verified<br>2015<br>Results<br>Adjustments | Total<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2016<br>Results<br>Adjustments | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total     | Total<br>Verified<br>2015<br>Results | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total |
| 111,179                                     | 311,000 | 311,000 | 150,000   | 75,000  | 35,000  | 993,179   | 111,179                     | 12,648                                             | -                                                  | 123,827                              | 517,221                             | 58,332                                             | 575,553                              | 664,165                             | 1,363,546 | 111                                  | 185                                  | 214                                 | 186   |
| 48,560                                      | 36,795  | 1,000   | 1,000     | 1,000   | 1,000   | 89,353    | 48,560                      | -                                                  | -                                                  | 48,560                               | 99,872                              | -                                                  | 99,872                               | 131,091                             | 279,933   | 100                                  | 271                                  | 13,109                              | 324   |
| -                                           | 20,000  | 20,000  | 20,000    | 20,000  | 20,000  | 100,000   | -                           | -                                                  | -                                                  | 6,792                                | -                                   | 6,792                                              | 51,754                               | 58,546                              | -         | -                                    | 34                                   | 259                                 | 146   |
| 155,739                                     | 367,795 | 313,000 | 172,000   | 97,000  | 57,000  | 1,186,534 | 155,739                     | 12,648                                             | -                                                  | 172,387                              | 621,865                             | 58,332                                             | 682,217                              | 1,451,607                           | 2,306,211 | 108                                  | 185                                  | 436                                 | 268   |
| -                                           | 1,000   | 1,000   | 1,000     | 1,000   | 1,000   | 5,000     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | 130,000 | 500,000 | 6,580,000 | 328,000 | 417,000 | 7,955,000 | -                           | 1,151                                              | -                                                  | 1,151                                | 134,920                             | 1,249                                              | 136,169                              | 249,147                             | 386,467   | -                                    | 105                                  | 50                                  | 61    |
| -                                           | 210,000 | 210,000 | 105,000   | 50,000  | 25,000  | 600,000   | -                           | -                                                  | -                                                  | -                                    | 150,211                             | 50,658                                             | 200,869                              | 209,161                             | 410,052   | -                                    | 96                                   | 100                                 | 98    |
| -                                           | -       | 1,000   | 1,000     | 1,000   | 1,000   | 4,000     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | 1,000   | 1,000     | 1,000   | 1,000   | 4,000     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       | -       | -         | -       | -       | -         | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -         | -                                    | -                                    | -                                   | -     |
| -                                           | -       |         |           |         |         |           |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |           |                                      |                                      |                                     |       |

[illegible]

**Gross  
Incremental  
First Year  
Peak  
Demand  
Savings**

Savings  
Group

[illegible]

[illegible]





| Total Administrative Expense Spending |         |         |         |         |         |           |                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |     |
|---------------------------------------|---------|---------|---------|---------|---------|-----------|-------------------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|---------|--------------------------------------|--------------------------------------|--------------------------------------|-------|-----|
| Forecasted (\$)                       |         |         |         |         |         |           | Verified (\$)                       |                                                    |                                                    |                                      |                                     |                                                    |                                      | Progress (%)                        |         |                                      |                                      |                                      |       |     |
| 2015                                  | 2016    | 2017    | 2018    | 2019    | 2020    | Total     | 2015<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2015<br>Results<br>Adjustments | 2017<br>Verified<br>2015<br>Results<br>Adjustments | Total<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2016<br>Results<br>Adjustments | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total   | Total<br>Verified<br>2015<br>Results | Total<br>Verified<br>2016<br>Results | Total<br>Verified<br>2017<br>Results | Total |     |
| 4,685                                 | 42,164  | 9,500   | 9,500   | 9,500   | 9,500   | 84,849    | 8,008                               | 3,623                                              | -                                                  | 11,631                               | 30,533                              | -                                                  | 30,533                               | 31,954                              | 74,118  | -                                    | 248                                  | 72                                   | 336   | 132 |
| -                                     | -       | -       | -       | -       | -       | -         | 442                                 | 3,623                                              | -                                                  | 4,065                                | 13,363                              | -                                                  | 13,363                               | 8,327                               | 25,795  | -                                    | 2,449                                | 82                                   | 88    | 99  |
| 386                                   | 16,244  | 9,500   | 9,500   | 9,500   | 9,500   | 54,410    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 5,789                               | 5,789   | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | 3,750   | 3,750   | 3,750   | 3,750   | 15,000    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | 15,811  | 10,700  | 12,350  | 12,350  | 12,350  | 63,561    | -                                   | 3,538                                              | -                                                  | 3,538                                | 12,273                              | -                                                  | 12,273                               | 13,468                              | 29,279  | -                                    | -                                    | 78                                   | 126   | 110 |
| 4,851                                 | 74,215  | 33,450  | 35,100  | 35,100  | 35,100  | 217,820   | 8,450                               | 10,784                                             | -                                                  | 19,234                               | 56,169                              | -                                                  | 56,169                               | 60,897                              | 136,240 | -                                    | 396                                  | 76                                   | 182   | 121 |
| -                                     | 3,829   | 4,750   | 4,750   | 4,750   | 4,750   | 22,829    | -                                   | 851                                                | -                                                  | 851                                  | 2,978                               | -                                                  | 2,978                                | 3,656                               | 7,489   | -                                    | -                                    | 78                                   | 77    | 87  |
| -                                     | 161,555 | 165,200 | 166,100 | 168,200 | 168,200 | 829,255   | -                                   | 34,740                                             | -                                                  | 34,740                               | 126,815                             | -                                                  | 1,050                                | 127,865                             | 106,920 | 269,525                              | -                                    | 29                                   | 65    | 82  |
| 53,837                                | 20,250  | 19,250  | 18,250  | 17,250  | 17,250  | 128,837   | -                                   | 12,224                                             | -                                                  | 12,224                               | 41,613                              | -                                                  | -                                    | 41,613                              | 29,280  | 83,117                               | -                                    | 77                                   | 145   | 112 |
| -                                     | -       | 3,750   | 3,750   | 3,750   | 3,750   | 15,000    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 3,456                               | 3,456   | -                                    | -                                    | 92                                   | 92    | -   |
| -                                     | -       | 3,750   | 3,750   | 3,750   | 3,750   | 15,000    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 2,698                               | 2,698   | -                                    | -                                    | 72                                   | 72    | -   |
| -                                     | 1,352   | 4,750   | 4,750   | 4,750   | 4,750   | 20,352    | -                                   | 1,352                                              | -                                                  | 1,352                                | -                                   | -                                                  | -                                    | 4,155                               | 4,155   | -                                    | -                                    | 65                                   | 73    | -   |
| -                                     | -       | 3,750   | 3,750   | 3,750   | 3,750   | 15,000    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 3,109                               | 5,461   | -                                    | -                                    | 79                                   | 79    | -   |
| -                                     | -       | 3,750   | 3,750   | 3,750   | 3,750   | 15,000    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 2,946                               | 2,946   | -                                    | -                                    | 75                                   | 75    | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 2,830                               | 2,830   | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | 228,573 | 209,950 | 209,850 | 210,950 | 209,950 | 1,061,273 | -                                   | 49,167                                             | -                                                  | 49,167                               | 171,406                             | -                                                  | 1,050                                | 172,456                             | 159,050 | 380,671                              | -                                    | 78                                   | 76    | 88  |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | 7,550   | 12,650  | 11,750  | 10,550  | 42,500    | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | 1,449   | 10,400  | 4,040   | -       | -       | 15,889    | -                                   | -                                                  | -                                                  | -                                    | 1,449                               | -                                                  | -                                    | 1,449                               | 7,022   | 8,471                                | -                                    | 100                                  | 68    | 71  |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       | -       | -         | -                                   | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     | -   |
| -                                     | -       | -       | -       | -       |         |           |                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |     |

[illegible][illegible]

Spending Group

For: Province Wide

| 2015-2020 Conservation First Framework Programs      |                                           |
|------------------------------------------------------|-------------------------------------------|
| <b>Residential Province-Wide Programs</b>            |                                           |
| 1                                                    | Save on Enervex Coupon Program            |
| 2                                                    | Save on Energy Instant Discount Program   |
| 3                                                    | Save on Enervex Heating & Cooling Program |
| 4                                                    | Save on Energy New Construction Program   |
| 5                                                    | Save on Enervex Home Assistance Program   |
| <b>Sub-total: Residential Province-Wide Programs</b> |                                           |

| Residential Province-Wide Programs |                               |
|------------------------------------|-------------------------------|
| 1                                  | Save on Energy Coupon Program |

| Business Province-Wide Programs                   |                                                          |
|---------------------------------------------------|----------------------------------------------------------|
| 6                                                 | Save on Energy Audit Funding Program                     |
| 7                                                 | Save on Energy Retrofit Program                          |
| 8                                                 | Save on Energy Small Business Lighting Program           |
| 9                                                 | Save on Energy High Performance New Construction Program |
| 10                                                | Save on Energy Existing Building Commissioning Program   |
| 11                                                | Save on Energy Business Refrigeration Incentive Program  |
| 12                                                | Save on Energy Process & Systems Upgrades Program        |
| 13                                                | Save on Energy Energy Manager Program                    |
| 14                                                | Save on Energy Monitoring & Targeting Program            |
| 15                                                | Save on Energy Retrofit Program - P4P                    |
| 16                                                | Save on Energy Process & Systems Upgrades Program - P4P  |
| <b>Sub-total: Business Province-Wide Programs</b> |                                                          |

|   |                              |
|---|------------------------------|
| 6 | Save on Energy Audit Funding |
|---|------------------------------|

| Local & Regional Programs                       |                                                                 |
|-------------------------------------------------|-----------------------------------------------------------------|
| 17                                              | Adaptive Thermostat Local Program                               |
| 18                                              | Business Refrigeration Incentives Local Program                 |
| 19                                              | Conservation on the Coast Home Assistance Local Program         |
| 20                                              | Conservation on the Coast Small Business Lighting Local Program |
| 21                                              | Fish Farming Conservation Local Program                         |
| 22                                              | High Efficiency Agricultural Pumping Local Program              |
| 23                                              | Instant Savings Local Program                                   |
| 24                                              | Opower Local Program                                            |
| 25                                              | Pool Saver Local Program                                        |
| 26                                              | PLM/Power Local Program                                         |
| 27                                              | RT/Power Local Program                                          |
| 28                                              | Social Benchmarking Local Program                               |
| <b>Sub-total: Local &amp; Regional Programs</b> |                                                                 |

|    |                             |
|----|-----------------------------|
| 17 | Adaptive Thermostat Control |
|----|-----------------------------|

|    |                                                                |                                   |
|----|----------------------------------------------------------------|-----------------------------------|
| 29 | LDC Innovation Fund Pilot Programs                             |                                   |
| 30 | Air Source Heat Pumps – For Residential Space Heating          | LDC Innovation Fund Pilot Program |
| 31 | Air Source Heat Pumps – For Residential Water Heating          | LDC Innovation Fund Pilot Program |
| 32 | Commercial Energy Management and Load Control (CEMLC)          | LDC Innovation Fund Pilot Program |
| 33 | Conservation Cultivator                                        | LDC Innovation Fund Pilot Program |
| 34 | Data Centre Energy Efficiency                                  | LDC Innovation Fund Pilot Program |
| 35 | Electronics Take Back                                          | LDC Innovation Fund Pilot Program |
| 36 | Energy Reinvestment                                            | LDC Innovation Fund Pilot Program |
| 37 | Home Energy Assessment & Retrofits                             | LDC Innovation Fund Pilot Program |
| 38 | Home/Hotel LDC Innovation Fund Pilot Program                   |                                   |
| 39 | Incubator & Technology LDC Innovation Fund Pilot Program       |                                   |
| 40 | Onpavee LDC Innovation Fund Pilot Program                      |                                   |
| 41 | PUMPavee LDC Innovation Fund Pilot Program                     |                                   |
| 42 | Residential Direct Install LDC Innovation Fund Pilot Program   |                                   |
| 43 | Residential Direct Mail LDC Innovation Fund Pilot Program      |                                   |
| 44 | Residential Direct Heat Pump LDC Innovation Fund Pilot Program |                                   |
| 45 | Retroscreening LDC Innovation Fund Pilot Program               |                                   |
| 46 | Onpavee LDC Innovation Fund Pilot Program                      |                                   |
| 47 | Small Medium Business Energy Management System                 | LDC Innovation Fund Pilot Program |
| 48 | Smart & Aerobic Air Ventilation                                | LDC Innovation Fund Pilot Program |
| 49 | Toronto Water – Bridge Joint Low-Income Program                | LDC Innovation Fund Pilot Program |
| 50 | Water Conservation LDC Innovation Fund Pilot Program           |                                   |
| 51 | Sub Total: LDC Innovation Fund Pilot Programs                  |                                   |

|    |                                  |
|----|----------------------------------|
| 29 | Air Source Heat Pump – For Resid |
| 30 | Air Source Heat Pump – For Resid |

|                                                |                                                                          |
|------------------------------------------------|--------------------------------------------------------------------------|
| <b>Centrally Delivered Programs</b>            |                                                                          |
| 51                                             | Industrial Accelerator Program                                           |
| 52                                             | Save on Energy Performance Program for Multi-Site Customers              |
| 53                                             | Whole Home Pilot Program                                                 |
| <b>Sub-total: Centrally Delivered Programs</b> |                                                                          |
| <b>Program Enabled Savings</b>                 |                                                                          |
| 54                                             | Save on Energy Retrofit Program Enabled Savings                          |
| 55                                             | Save on Energy High Performance New Construction Program Enabled Savings |
| 56                                             | Save on Energy Process & Systems Upgrades Program Enabled Savings        |
| <b>Sub-total: Program Enabled Savings</b>      |                                                                          |

|    |                      |
|----|----------------------|
| 57 | Non-Approved Program |
|----|----------------------|

|                                                   |  |
|---------------------------------------------------|--|
| Sub-total: 2015-2020 Conservation First Framework |  |
|---------------------------------------------------|--|

|    |                                             |
|----|---------------------------------------------|
| 59 | Conservation Voltage Reduction Conservation |
| 60 | Conservation Voltage Reduction Conservation |

|                              |  |
|------------------------------|--|
| Sub-total: Conservation Fund |  |
|------------------------------|--|

|                     |                                  |
|---------------------|----------------------------------|
| Residential Program |                                  |
| C7                  | Any Other Retirement Institution |

| Commercial & Institutional Program            |                                                        |
|-----------------------------------------------|--------------------------------------------------------|
| 72                                            | Energy Audit Initiative                                |
| 73                                            | Efficiency: Equipment Replacement Incentive Initiative |
| 74                                            | Direct Install Lighting and Water Heating Initiative   |
| 75                                            | New Construction and Major Renovation Initiative       |
| 76                                            | Existing Building Commissioning Incentive Initiative   |
| Sub-total: Commercial & Institutional Program |                                                        |

|    |                |
|----|----------------|
| 77 | Process and Sw |
|----|----------------|

|                               |                       |
|-------------------------------|-----------------------|
| Low Income Program            |                       |
| 80                            | Low Income Initiative |
| Sub-total: Low-Income Program |                       |

|    |     |
|----|-----|
| 81 | Ab  |
| 82 | ... |

|                                                      |
|------------------------------------------------------|
| Sub-total: 2011-2014+2015 Extension Legacy Framework |
| Total                                                |

| Participation   |                |           |           |           |           |           |              |           | Verified (€)                      |                                   |                       |                                   |                       |              |                                   |            |                                   |                       |                                   |                       | Progress vs Forecast (%) |  |  |  |
|-----------------|----------------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------------------------------|-----------------------------------|-----------------------|-----------------------------------|-----------------------|--------------|-----------------------------------|------------|-----------------------------------|-----------------------|-----------------------------------|-----------------------|--------------------------|--|--|--|
| Unit of Measure | Forecasted (€) |           |           |           |           |           |              | Total     | Verified (€)                      |                                   |                       |                                   |                       |              |                                   | Total      | Progress vs Forecast (%)          |                       |                                   |                       |                          |  |  |  |
|                 | 2015           | 2016      | 2017      | 2018      | 2019      | 2020      | 2015 Results |           | 2016 Verified Results Adjustments | 2017 Verified Results Adjustments | 2018 Verified Results | 2019 Verified Results Adjustments | 2020 Verified Results | 2015 Results | 2016 Verified Results Adjustments |            | 2017 Verified Results Adjustments | 2018 Verified Results | 2019 Verified Results Adjustments | 2020 Verified Results |                          |  |  |  |
| Products        | 1,492,546      | 4,932,060 | 4,370,649 | 1,338,555 | 1,271,946 | 943,135   | 14,346,891   | 1,207,534 | 198,108                           | -                                 | 1,405,642             | 17,053,287                        | 1,946,392             | 18,999,679   | 17,079,623                        | 37,484,944 | 94                                | 385                   | 391                               | 347                   |                          |  |  |  |
| Equipment       | 23,586         | 50,057    | 47,809    | 33,035    | 29,400    | 28,686    | 111,654      | 20,235    | 2,354                             | -                                 | 22,589                | 136,612                           | 911                   | 137,528      | 79,915                            | 246,013    | 96                                | 275                   | 167                               | 133                   |                          |  |  |  |
| Homes           | 3,333          | 7,187     | 8,319     | 6,979     | 8,500     | 6,967     | 41,240       | -         | 6                                 | 5                                 | 11                    | 130                               | 74                    | 204          | 328                               | 543        | 0                                 | 3                     | 12                                | 10                    |                          |  |  |  |
| Homes           | 80,753         | 15,512    | 56,654    | 39,092    | 37,435    | 35,128    | 204,734      | 1,032     | 26                                | -                                 | 1,258                 | 5,066                             | 1,500                 | 6,566        | 6,910                             | 14,734     | 2                                 | 42                    | 12                                | 10                    |                          |  |  |  |
| Projects        | 61             | 293       | 433       | 444       | 443       | 359       | 2,033        | 2         | 27                                | 2                                 | 31                    | 213                               | 207                   | 420          | 349                               | 800        | 51                                | 143                   | 81                                | 102                   |                          |  |  |  |
| Projects        | 51,299         | 273,262   | 347,045   | 262,455   | 232,887   | 228,156   | 1,395,146    | 811       | 2,495                             | -                                 | 289                   | 3,595                             | 10,690                | 13,719       | 8,783                             | 26,497     | -                                 | 5                     | 3                                 | -                     |                          |  |  |  |
| Projects        | 22,186         | 18,102    | 72,520    | 74,811    | 70,263    | 60,606    | 311,518      | -         | -                                 | -                                 | -                     | 2,421                             | 64                    | 2,485        | 7,565                             | 10,029     | -                                 | 14                    | 10                                | -                     |                          |  |  |  |
| Projects        | 59             | 293       | 47,284    | 4,647     | 4,706     | 4,568     | 18,937       | -         | 8                                 | 3                                 | 170                   | 180                               | 61                    | 241          | 167                               | 418        | 19                                | 82                    | 3                                 | -                     |                          |  |  |  |
| Projects        | -              | 14        | 41        | 38        | 40        | 39        | 172          | -         | -                                 | -                                 | 2                     | 2                                 | -                     | 30           | 30                                | 6          | 36                                | 214                   | 15                                | -                     |                          |  |  |  |
| Projects        | -              | 306       | 16,748    | 21,710    | 20,264    | 16,934    | 75,900       | -         | -                                 | -                                 | -                     | -                                 | -                     | 12           | 1,077                             | 1,077      | -                                 | 0                     | 6                                 | -                     |                          |  |  |  |
| Projects        | 41             | 3,338     | 172       | 170       | 135       | 112       | 3,448        | -         | -                                 | -                                 | -                     | 1                                 | 17                    | 13           | 16                                | 29         | -                                 | 0                     | 9                                 | -                     |                          |  |  |  |
| Projects        | 47             | 117       | 219       | 377       | 286       | 240       | 1,346        | -         | -                                 | -                                 | -                     | 69                                | 54                    | 123          | 77                                | 200        | -                                 | 106                   | 35                                | -                     |                          |  |  |  |
| Projects        | 7              | 6         | 26        | 25        | 26        | 23        | 133          | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | 134            | 1,166     | -         | -         | -         | -         | 1,380        | -         | 61                                | -                                 | 9                     | 70                                | 472                   | 376          | 651                               | 253        | 938                               | 52                    | 56                                | 72                    |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | 5            | -         | -                                 | -                                 | -                     | 3                                 | -                     | 2            | -                                 | 5          | -                                 | 100                   | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 1,041     | 5,000     | 5,000     | 5,000     | 5,000     | 21,041       | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | -         | 171       | 951       | 605       | 542       | 2,359        | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | 112          | 112                               | 26         | 138                               | -                     | 696                               | 878                   |                          |  |  |  |
| Homes           | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | 750       | 1,363     | 747       | 890       | 780       | 4,536        | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | 2,185      | 2,185                             | -                     | 157                               | 101                   |                          |  |  |  |
| Homes           | -              | -         | 3,045     | 5,268     | 6,581     | 6,581     | 22,593       | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 16,290    | 14,037    | 4,627     | 2,821     | 37,776    | 7,872        | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | 13,146                            | 13,146     | -                                 | 81                    | 87                                | -                     |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | 2            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 5,605     | 6,118     | 6,008     | 5,736     | 23,447    | 47           | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | 1,958      | 1,958                             | -                     | 35                                | 35                    |                          |  |  |  |
| Projects        | -              | 16        | 269       | 168       | 134       | 67        | 694          | -         | -                                 | -                                 | -                     | 5                                 | 1                     | 6            | 193                               | 199        | 38                                | 72                    | 76                                | -                     |                          |  |  |  |
| Projects        | -              | -         | 1,606     | 5,619     | 3,211     | 18,005    | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Participants    | -              | 1,333,125 | 2,390,945 | 3,744,545 | 4,400,904 | 4,457,000 | 16,356,139   | -         | -                                 | -                                 | -                     | -                                 | 764,789               | 764,789      | 1,050,385                         | 1,815,174  | -                                 | 57                    | 44                                | 40                    |                          |  |  |  |
| Homes           | -              | -         | 847       | 206       | 206       | 165       | 1,434        | -         | -                                 | -                                 | -                     | 112                               | 112                   | 224          | -                                 | 224        | -                                 | -                     | -                                 | 20                    |                          |  |  |  |
| Homes           | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | 69                    | 69           | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Equipment       | -              | -         | 4,000     | 4,285     | 4,270     | 4,270     | 16,822       | -         | -                                 | -                                 | -                     | -                                 | -                     | 1,599        | 1,599                             | -          | -                                 | -                     | 40                                | 40                    |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | 1              | -         | -         | -         | -         | 1         | 3            | -         | -                                 | 4                                 | 4                     | -                                 | -                     | -            | -                                 | 4          | 400                               | -                     | 80                                | 80                    |                          |  |  |  |
| Projects        | -              | 1         | 12        | -         | -         | -         | 13           | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Equipment       | -              | 10,000    | -         | -         | -         | -         | 10,000       | -         | -                                 | -                                 | -                     | 10,004                            | -                     | 10,004       | -                                 | 10,004     | -                                 | 100                   | -                                 | 100                   |                          |  |  |  |
| Projects        | -              | -         | -         | 1         | -         | -         | 1            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 221       | 6         | 1,380     | 2,760     | 2,760     | 7,305        | -         | -                                 | -                                 | -                     | -                                 | -                     | 838          | 838                               | -          | -                                 | -                     | 13,967                            | 25,967                |                          |  |  |  |
| Projects        | -              | 5         | 5         | 5         | 7         | 7         | 31           | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | 4          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | 5         | 16        | -         | -         | -         | 16           | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 18        | -         | -         | -         | -         | 18           | -         | -                                 | 10                                | -                     | 30                                | -                     | 5            | -                                 | 10         | -                                 | 100                   | -                                 | 100                   |                          |  |  |  |
| Homes           | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 2         | -         | -         | -         | -         | 2            | -         | -                                 | -                                 | -                     | 322                               | -                     | 322          | -                                 | 322        | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 1         | -         | -         | -         | -         | 1            | -         | -                                 | -                                 | -                     | 726                               | -                     | 726          | -                                 | 726        | -                                 | 36,300                | -                                 | 36,300                |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | 94                                | -                     | 94           | -                                 | 94         | -                                 | 9,400                 | -                                 | 9,400                 |                          |  |  |  |
| Projects        | 77             | -         | -         | 77        | 50        | 30        | 234          | -         | -                                 | -                                 | -                     | 75                                | -                     | 75           | -                                 | 75         | -                                 | 97                    | -                                 | 97                    |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | 13                                | -                     | 13           | -                                 | 13         | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Homes           | -              | 1,000     | 133       | -         | -         | -         | 1,133        | -         | -                                 | -                                 | -                     | 45                                | -                     | 45           | 754                               | 759        | -                                 | -                     | 567                               | 567                   |                          |  |  |  |
| Homes           | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | 1,026                             | -                     | 1,026        | -                                 | 1,026      | -                                 | 103                   | -                                 | 103                   |                          |  |  |  |
| Homes           | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | -                     | -                                 | -                     | 300          | -                                 | 300        | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Products        | -              | 85,178    | -         | -         | -         | -         | 85,178       | -         | -                                 | -                                 | -                     | 226,443                           | -                     | 226,443      | -                                 | 226,443    | -                                 | 266                   | -                                 | 266                   |                          |  |  |  |
| Projects        | -              | -         | 2         | 2         | 2         | 2         | 8            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | -         | 5         | 11        | 4         | 4         | 34           | -         | -                                 | -                                 | -                     | -                                 | -                     | 39           | 39                                | -          | -                                 | -                     | 780                               | 780                   |                          |  |  |  |
| Homes           | -              | -         | 5,090     | 2         | 2         | 2         | 5,096        | -         | -                                 | -                                 | -                     | -                                 | -                     | 10,352       | 10,359                            | -          | -                                 | -                     | 204                               | 204                   |                          |  |  |  |
| Claims          | 5              | 10        | 1         | 1         | 1         | 1         | 18           | -         | 9                                 | 9                                 | 18                    | 28                                | 14                    | 42           | 24                                | 84         | 360                               | 420                   | 2,400                             | 520                   |                          |  |  |  |
| Claims          | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | 3                     | 1                                 | -                     | 1            | 1                                 | 3          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Claims          | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | 1                                 | 1                     | 1                                 | 1                     | 2            | 2                                 | 5          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Various         | -              | 3,401     | 46,669    | 228,390   | 181,677   | 185,926   | 646,063      | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Various         | -              | -         | 5         | 21,188    | 21,189    | 21,192    | 3,639        | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | -              | -         | 1         | -         | -         | -         | 1            | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | 1                                 | 1          | -                                 | 100                   | -                                 | 100                   |                          |  |  |  |
| Projects        | 13             | -         | -         | -         | -         | -         | 13           | 12        | -                                 | -                                 | 12                    | -                                 | -                     | -            | -                                 | 12         | 92                                | -                     | 92                                | 92                    |                          |  |  |  |
| Projects        | 4              | 5         | -         | -         | -         | -         | 9            | -         | -                                 | -                                 | 4,638                 | -                                 | -                     | 4,638        | -                                 | 4,638      | -                                 | 92,780                | -                                 | 77,365                |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | 18        | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | 18                                | 450                   | -                                 | 450                   |                          |  |  |  |
| Projects        | -              | -         | -         | -         | -         | -         | -            | -         | -                                 | -                                 | 2                     | 2                                 | 4                     | 11           | 15                                | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Projects        | 12             | 30        | 20        | -         | -         | -         | 40           | -         | -                                 | -                                 | -                     | -                                 | -                     | -            | -                                 | -          | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Participants    | 42,136         | -         | -         | -         | -         | -         | 42,136       | 150,258   | -                                 | -                                 | 150,258               | -                                 | -                     | -            | -                                 | 150,258    | 395                               | -                     | 351                               | 351                   |                          |  |  |  |
| Projects        | 11             | -         | -         | -         | -         | -         | 11           | 10        | -                                 | -                                 | 10                    | -                                 | -                     | -            | -                                 | 10         | -                                 | -                     | -                                 | -                     |                          |  |  |  |
| Appliances      | 12,618         | 1,262     | 1,262     | 1,262     | -         | -         | 17,605       | 14,731    | -                                 | -                                 | 14,731                | -                                 | -                     | -            | -                                 | 14,731     | 120                               | -                     | -                                 | 120                   |                          |  |  |  |
| Products        | 3,704,850      | 1,450,265 | 2,059,209 | 1,530,740 | 1,413,526 | 1,228,294 | 11,346,884   | 2,075,200 | 413,479                           | -                                 | 2,488,679             | -                                 | -                     | -            | -                                 | 2,488,679  | 67                                | -                     | -                                 | 67                    |                          |  |  |  |
| Products        | 459,368        | -         | -         | -         | -         | -         | 459,368      | 3,178,024 | 27,954                            | -                                 | 3,205,978             | -                                 | -                     | -            | -                                 | 3,205,978  | 698                               | -                     | -                                 | 698                   |                          |  |  |  |
| Equipment       | 86,204         | 44,163    | 43,275    | 40,317    | 40,239    | 41,290    | 795,488      | 102,154   | 2,507                             | -                                 | 104,661               | -                                 | -                     | -            | -                                 | 104,661    | 121                               | -                     | -                                 | 121                   |                          |  |  |  |
| Homes           | 46,643         | -         | -         | -         | -         | -         | 46,643       | 4,012     | 132                               | 42                                | 4,186                 | -                                 | -                     | -            | -                                 | 4,186      | 9                                 | -                     | -                                 | 9                     |                          |  |  |  |
| Projects        | 374            | -         | -         | -         | -         | -         | 374          | 356       | 199                               | -                                 | 555                   | -                                 | -                     | -            | -                                 | 555        | 148                               | -                     | -                                 | 148                   |                          |  |  |  |
| Projects        | 138,556        | 84        | 283       | 38        | 72        | 67        | 135,346      | 12,547    | 1,036                             | 402                               | 13,985                | -                                 | -                     | -            | -                                 | 13,985     | 4                                 | -                     | -                                 | 4                     |                          |  |  |  |
| Projects        | 273,640        | 726       | 285       | 295       | 275       | 393       | 276,514      | 18,643    | 393                               | -                                 | 18,643                | -                                 | -                     | -            | -                                 | 18,643     | 7                                 | -                     | -                                 | 7                     |                          |  |  |  |
| Projects        | 21,138         | -         | -         | -         | -         | -         | 21,138       | 168       | 141                               | -                                 | 309                   | -                                 | -                     | -            | -                                 | 309        | 1                                 | -                     | -                                 | 1                     |                          |  |  |  |
| Projects        | 11             | -         | -         | -         | -         | -         | 11           | 11        | 4                                 | -                                 | 15                    | -                                 | -                     | -            | -                                 | 15         | 136                               | -                     | 136                               | 136                   |                          |  |  |  |
| Projects        | 17             | 9         | 14        | 15        | 12        | 11        | 76           | 12        | 11                                | 1                                 | 24                    | -                                 | -                     | -            | -                                 | 24         | 141                               | -                     | -                                 | 60                    |                          |  |  |  |
| Projects        | 330            | -         | -         | -         | -         | -         | 330          | 424       | 1                                 | -                                 | 425                   | -                                 | -                     | -            | -                                 | 425        | 129                               | -                     | -                                 | 129                   |                          |  |  |  |
| Projects        | 1              | -         | 6         | 6         | 6         | 6         | 24           | 2         | -                                 | -                                 | 2                     | -                                 | -                     | -            | -                                 | 2          | 200                               | -                     | -                                 | 200                   |                          |  |  |  |
| Homes           | 1,330,550      | -         | -         | -         | -         | -         | 1,330,550    | 15,494    | 1,012                             | -                                 | 16,506                | -                                 | -                     | -            | -                                 | 16,506     | 1                                 | -                     | -                                 | 1                     |                          |  |  |  |
| Homes           | 527,925        | -         | -         | -         | -         | -         | 527,925      | 1,586     | -                                 | -                                 | 1,586                 | -                                 | -                     | -            | -                                 | 1,586      | 0                                 | -                     | -                                 | 0                     |                          |  |  |  |
| Claims          | 6              | -         | -         | -         | -         | -         | 6            | 10        | -                                 | -                                 | 13                    | -                                 | -                     | -            | -                                 | 13         | 217                               | -                     | -                                 | 217                   |                          |  |  |  |

## Group

[illegible]

Net Incremental 2020 Annual Energy Savings |

Net  
Incremental  
20 Annual  
Peak  
Demand  
Savings

| Net Incremental First Year Energy Savings |                                |                                |                                |                                  |                                  |                                |                 |                                  |                                  | Net<br>Incremental<br>First Year<br>Energy<br>Savings |                                  |             |                                   |                                   |                                  |       |         |         |       |
|-------------------------------------------|--------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|--------------------------------|-----------------|----------------------------------|----------------------------------|-------------------------------------------------------|----------------------------------|-------------|-----------------------------------|-----------------------------------|----------------------------------|-------|---------|---------|-------|
| Forecasted (kWh)                          |                                |                                |                                |                                  |                                  |                                |                 |                                  |                                  |                                                       |                                  |             |                                   |                                   |                                  |       |         |         |       |
| 2015                                      | 2016                           | 2017                           | 2018                           | 2019                             | 2020                             | Total                          | Verified (kWh)  |                                  |                                  |                                                       |                                  |             |                                   | Progress (%)                      |                                  |       |         |         |       |
| 2015<br>Results                           | 2016<br>Results<br>Adjustments | 2017<br>Results<br>Adjustments | Total Verified<br>2015 Results | 2016<br>Verified<br>2016 Results | 2017<br>Verified<br>2017 Results | Total Verified<br>2016 Results | 2015<br>Results | 2016<br>Verified<br>2016 Results | 2017<br>Verified<br>2017 Results | Total Verified<br>2016 Results                        | 2017<br>Verified<br>2017 Results | Total       | Total<br>Verified<br>2015 Results | Total<br>Verified<br>2016 Results | 2017<br>Verified<br>2017 Results | Total |         |         |       |
| 39,254,365                                | 178,340,878                    | 95,432,950                     | 34,208,517                     | 32,034,688                       | 26,295,762                       | 405,567,160                    | 31,459,586      | 4,531,473                        | -                                | 35,991,059                                            | 427,989,505                      | 49,843,524  | 477,831,119                       | 521,520,622                       | 1,035,344,800                    | 92    | 268     | 546     | 831   |
| 12,452,123                                | 34,611,838                     | 38,234,580                     | 36,149,759                     | 29,750,461                       | 30,594,178                       | 148,892,430                    | 10,181,962      | 3,284,912                        | -                                | 11,566,873                                            | 76,249,162                       | 744,673     | 76,993,835                        | 68,318,325                        | 158,879,033                      | 93    | 232     | 194     | 191   |
| 702,622                                   | 3,515,448                      | 8,392,693                      | 8,490,585                      | 8,706,173                        | 8,424,523                        | 38,231,054                     | -               | 70,679                           | 285,368                          | 356,047                                               | 1,624,371                        | 397,324     | 2,031,695                         | 1,746,478                         | 4,124,220                        | 51    | 58      | 21      | 33    |
| 2,354,851                                 | 6,838,991                      | 8,730,863                      | 7,162,177                      | 7,002,786                        | 6,748,178                        | 38,837,847                     | 1,145,792       | 284,282                          | -                                | 1,430,074                                             | 7,590,417                        | 1,646,201   | 9,236,638                         | 8,240,971                         | 18,907,683                       | 61    | 135     | 94      | 105   |
| 54,763,961                                | 225,806,168                    | 163,906,168                    | 109,510,203                    | 73,711,918                       | 64,819,395                       | 683,818,002                    | 42,787,339      | 6,271,346                        | 285,368                          | 49,384,051                                            | 513,453,665                      | 52,631,722  | 566,085,287                       | 1,042,638,259                     | 1,658,067,599                    | 90    | 254     | 636     | 875   |
| 4,172,585                                 | 13,826,096                     | 21,712,556                     | 21,467,301                     | 21,393,335                       | 19,546,353                       | 102,123,226                    | 161,592         | 1,996,887                        | 173,531                          | 2,331,021                                             | 2,799,382                        | 2,720,527   | 5,519,909                         | 22,801,451                        | 30,654,372                       | 56    | 40      | 105     | 77    |
| 108,080,672                               | 674,932,656                    | 471,178,325                    | 342,665,663                    | 317,615,797                      | 311,934,463                      | 2,226,407,576                  | 10,243,297      | 87,909,143                       | 29,216,377                       | 136,368,817                                           | 517,409,653                      | 178,392,040 | 715,801,693                       | 636,766,848                       | 1,488,937,358                    | 126   | 106     | 135     | 111   |
| 3,406,506                                 | 10,708,956                     | 50,740,232                     | 50,369,288                     | 37,569,753                       | 33,494,521                       | 186,289,681                    | -               | -                                | -                                | 13,854,737                                            | 4,456,600                        | 18,111,337  | 51,441,352                        | 69,752,689                        | -                                | 174   | 101     | 108     | -     |
| 3,129,551                                 | 34,178,492                     | 27,138,843                     | 12,421,195                     | 14,621,047                       | 14,474,979                       | 106,364,307                    | -               | 478,377                          | 362,081                          | 840,460                                               | 18,772,882                       | 12,130,434  | 30,903,316                        | 46,889,542                        | 78,633,288                       | 25    | 90      | 172     | 121   |
| -                                         | 1,599,951                      | 4,062,051                      | 3,076,421                      | 3,235,983                        | 3,155,847                        | 15,128,289                     | -               | -                                | -                                | -                                                     | 730,126                          | 730,126     | 882,773                           | 1,634,399                         | -                                | 46    | 22      | 38      | -     |
| -                                         | 1,175,267                      | 15,681,707                     | 17,282,442                     | 14,651,507                       | 12,018,288                       | 60,809,411                     | -               | -                                | -                                | -                                                     | -                                | -           | 5,219,675                         | 5,219,675                         | -                                | -     | 33      | 31      | -     |
| 27,510,818                                | 62,619,779                     | 138,665,563                    | 164,923,617                    | 227,685,637                      | 142,538,429                      | 763,934,043                    | -               | -                                | 17,265,066                       | 17,265,066                                            | 778,676                          | 51,959,167  | 52,717,843                        | 15,201,978                        | 85,204,877                       | 63    | 84      | 11      | 37    |
| 5,415,035                                 | 22,011,204                     | 21,787,988                     | 33,341,893                     | 33,227,807                       | 24,097,686                       | 130,786,623                    | -               | -                                | -                                | 86,382,538                                            | 10,342,864                       | 26,760,422  | 21,098,427                        | 47,804,245                        | -                                | 121   | 97      | 56      | -     |
| 1,485,500                                 | 1,809,500                      | 7,054,130                      | 2,629,487                      | 2,218,258                        | 2,531,716                        | 17,224,613                     | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| 4,516,446                                 | 94,251,740                     | -                              | -                              | -                                | -                                | 98,768,186                     | -               | 1,731,152                        | 1,263,989                        | 2,995,141                                             | 41,083,220                       | 18,258,597  | 59,341,817                        | 19,395,821                        | 81,732,779                       | 66    | 63      | 83      | -     |
| -                                         | 25,420,443                     | -                              | -                              | -                                | -                                | 25,420,443                     | -               | -                                | -                                | -                                                     | 10,957,531                       | 15,179,466  | 24,136,997                        | 24,136,997                        | -                                | 95    | 95      | -       | -     |
| 158,314,413                               | 942,538,088                    | 758,224,379                    | 638,175,917                    | 662,721,264                      | 583,782,234                      | 3,723,766,335                  | 15,405,489      | 92,115,559                       | 48,281,048                       | 159,802,496                                           | 642,618,638                      | 292,169,821 | 934,168,460                       | 819,697,747                       | 3,913,688,793                    | 101   | 90      | 108     | 103   |
| -                                         | 181,911                        | 873,750                        | 873,750                        | 873,750                          | 873,750                          | 3,676,915                      | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | 469,200                        | 2,401,735                      | 1,743,701                        | 1,556,284                        | 6,170,920                      | -               | -                                | -                                | 1,173,928                                             | -                                | 1,173,928   | 5,544,355                         | 6,718,283                         | -                                | -     | 1,182   | 1,432   | -     |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | -               | -                                | -                                | -                                                     | 432,145                          | 432,145     | 248,138                           | 680,283                           | -                                | -     | -       | -       | -     |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | 1,533,750                      | 2,787,335                      | 1,600,365                      | 1,892,800                        | 1,667,850                        | 9,482,100                      | -               | -                                | -                                | -                                                     | -                                | 3,328,257   | 3,328,257                         | -                                 | -                                | -     | 119     | 77      | -     |
| -                                         | -                              | 4,600,744                      | 6,154,874                      | 7,680,418                        | 7,680,418                        | 26,116,454                     | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | 3,175,550                      | 2,728,174                      | 931,221                          | 561,531                          | 7,448,478                      | -               | -                                | -                                | -                                                     | -                                | -           | 1,635,206                         | 1,635,206                         | -                                | -     | 51      | 51      | -     |
| -                                         | -                              | 5,183,820                      | 21,581,163                     | 30,580,970                       | 40,859,044                       | 98,151,997                     | -               | -                                | -                                | -                                                     | -                                | -           | 5,969,040                         | 5,969,040                         | -                                | -     | -       | -       | -     |
| -                                         | -                              | 7,845,467                      | 8,183,606                      | 8,111,588                        | 7,869,230                        | 32,009,891                     | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | 507,498                        | 8,525,599                      | 5,128,712                      | 4,264,965                        | 2,111,486                        | 20,756,061                     | -               | -                                | -                                | 834,022                                               | 154,217                          | 988,259     | 15,947,960                        | 16,936,219                        | -                                | 195   | 187     | 187     | -     |
| -                                         | -                              | 2,094,127                      | 7,129,427                      | 4,198,244                        | 20,943,220                       | -                              | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | 51,378,503                     | 104,113,770                    | 110,702,685                      | 126,204,621                      | 130,847,814                    | 523,247,383     | -                                | -                                | -                                                     | 52,320,101                       | 52,320,101  | 112,500,855                       | 164,820,956                       | -                                | 102   | 108     | 106     | -     |
| -                                         | 53,601,664                     | 139,669,697                    | 166,934,491                    | 189,613,467                      | 198,189,650                      | 748,001,969                    | -               | -                                | -                                | 2,007,950                                             | 52,906,483                       | 54,914,433  | 145,713,811                       | 200,088,244                       | -                                | 102   | 104     | 104     | -     |
| -                                         | -                              | 1,399,957                      | 910,594                        | 910,594                          | 728,475                          | 3,949,620                      | -               | -                                | -                                | 205,088                                               | 203,083                          | 408,171     | -                                 | 408,171                           | -                                | -     | -       | -       | 29    |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | -               | -                                | -                                | -                                                     | -                                | 117,155     | 117,155                           | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | 1,614,988                      | 1,635,045                      | 1,460,702                        | 1,460,702                        | 6,171,437                      | -               | -                                | -                                | -                                                     | -                                | -           | 802,485                           | 802,485                           | -                                | -     | 50      | 50      | -     |
| 187,000                                   | -                              | -                              | -                              | -                                | 1,092,825                        | 1,279,825                      | -               | -                                | 90,118                           | 90,118                                                | -                                | -           | -                                 | 90,118                            | -                                | 48    | -       | -       | 48    |
| -                                         | 1,308,000                      | -                              | -                              | -                                | -                                | 3,549,361                      | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | -                              | 1,781,855                      | -                                | -                                | 1,781,855                      | -               | -                                | -                                | 1,145,480                                             | -                                | 1,145,480   | -                                 | 1,145,480                         | -                                | 88    | -       | -       | 88    |
| -                                         | 903,431                        | 1,756,600                      | 467,452                        | 934,904                          | 934,904                          | 6,407,391                      | -               | -                                | -                                | -                                                     | -                                | -           | 374,487                           | 374,487                           | -                                | -     | 30      | 17      | -     |
| -                                         | 1,039,063                      | 1,039,063                      | 1,454,688                      | 1,454,688                        | 6,442,190                        | -                              | -               | -                                | -                                | -                                                     | -                                | -           | 58,986                            | 58,986                            | -                                | -     | 6       | 3       | -     |
| -                                         | 2,500,000                      | 1,404,000                      | -                              | -                                | -                                | 1,404,000                      | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | 616,360                        | -                              | -                              | -                                | -                                | 616,360                        | -               | -                                | 667,979                          | 667,979                                               | 2,864,454                        | 2,864,454   | -                                 | 2,864,454                         | -                                | 115   | -       | -       | 115   |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | 108   |
| -                                         | 592,703                        | -                              | -                              | -                                | -                                | 592,703                        | -               | -                                | -                                | 413,538                                               | 413,538                          | -           | -                                 | 413,538                           | -                                | -     | -       | -       | -     |
| -                                         | 1,390,849                      | -                              | -                              | -                                | -                                | 1,390,849                      | -               | -                                | -                                | 347,825                                               | 347,825                          | -           | -                                 | 347,825                           | -                                | 59    | -       | -       | 59    |
| -                                         | 2,547,622                      | -                              | 2,547,622                      | 1,654,300                        | 992,580                          | 7,742,124                      | -               | -                                | -                                | 157,963                                               | 157,963                          | -           | -                                 | 157,963                           | -                                | 5     | -       | -       | 5     |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | -               | -                                | -                                | 1,878,207                                             | 1,878,207                        | -           | -                                 | 1,878,207                         | -                                | 74    | -       | -       | 74    |
| -                                         | -                              | 199,358                        | 199,500                        | -                                | -                                | 398,858                        | -               | -                                | -                                | 370,393                                               | 370,393                          | -           | -                                 | 370,393                           | -                                | -     | -       | -       | -     |
| -                                         | 3,362,278                      | -                              | -                              | -                                | -                                | 3,362,278                      | -               | -                                | -                                | 60,200                                                | 60,200                           | -           | -                                 | 60,200                            | -                                | 89    | -       | -       | 89    |
| 187,000                                   | 16,895,664                     | 10,463,469                     | 8,797,256                      | 6,415,188                        | 6,664,124                        | 48,886,751                     | -               | -                                | 667,979                          | 90,118                                                | 758,097                          | 538,401     | 14,749,328                        | 2,417,744                         | 17,023,163                       | 405   | 90      | 23      | 69    |
| -                                         | -                              | 2,000                          | 2,000                          | 2,000                            | 2,000                            | 8,000                          | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | 3,000                          | 1,241,600                      | 4,000                            | 4,000                            | 1,252,600                      | -               | -                                | -                                | -                                                     | -                                | -           | 7,921,276                         | 7,921,276                         | -                                | -     | 264,043 | 264,043 | -     |
| -                                         | -                              | 1,425,852                      | 2,000                          | 2,000                            | 2,000                            | 1,431,852                      | -               | -                                | -                                | -                                                     | -                                | -           | 6,600,126                         | 6,600,126                         | -                                | -     | 461     | 461     | -     |
| -                                         | -                              | 1,430,852                      | 1,248,000                      | 8,000                            | 8,000                            | 2,682,452                      | -               | -                                | -                                | -                                                     | -                                | -           | 14,523,602                        | 14,523,602                        | -                                | -     | 3,035   | 1,615   | -     |
| 8,571,537                                 | -                              | -                              | -                              | -                                | -                                | 8,571,537                      | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| 8,571,537                                 | -                              | -                              | -                              | -                                | -                                | 8,571,537                      | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | 1,013,447                      | 6,264,754                      | 41,838,385                     | 39,644,571                       | 37,817,825                       | 126,578,982                    | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | 736,000                        | 25,673,427                     | 25,971,599                     | 165,484,561                      | 217,865,587                      | -                              | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| -                                         | 1,013,447                      | 7,886,794                      | 67,531,812                     | 65,616,176                       | 269,362,386                      | 344,444,399                    | -               | -                                | -                                | -                                                     | -                                | -           | -                                 | -                                 | -                                | -     | -       | -       | -     |
| 221,836,911                               | 1,236,820,019                  | 1,080,695,320                  | 986,175,279                    | 998,086,007                      | 1,036,558,899                    | 5,560,172,435                  | 62,193,228      | 95,054,884                       | 48,656,534                       | 205,904,646                                           | 1,171,691,073                    | 398,246,427 | 1,569,937,500                     | 2,024,449,163                     | 3,804,295,399                    | 95    | 127     | 187     | 150   |
| -                                         | -                              | 3,000,000                      | -                              | -                                | -                                | 3,000,000                      | -               | -                                | -                                | -                                                     | -                                | -           | 1,274,792                         | 1,274,792                         | -                                | -     | 42      | 42      | -     |
| 328,828                                   | 4,559                          | -                              | -                              | -                                | -                                | 328,828                        | 328,828         | -                                | -                                | 328,828                                               | -                                | -           | -                                 | 328,828                           | -                                | 100   | -       | -       | 100   |
| 1,085,006                                 | -                              | -                              | -                              | -                                | -                                | 1,085,006                      | -               | -                                | -                                | 58,726                                                | -                                | 58,726      | -                                 | 58,726                            | -                                | -     | 1,288   | -       | 1,288 |
| -                                         | -                              | -                              | -                              | -                                | -                                | -                              | 8,311,388       | -                                | -                                | 8,311,388                                             | -                                | -           | -                                 | 8,311,388                         | -                                | 766   | -       | -       | 766   |
| 6,392,465                                 | 94,400                         | 94,400                         | -                              | -                                | -                                | 6,581,265                      | -               | -                                | -                                | 188,353                                               | 20,783                           | 209,136     | 364,714                           | 574,850                           | -                                | -     | -       | -       | -     |
| 2,978,654                                 | -                              | -                              | -                              | -                                | -                                | 2,978,654                      | 17,393,939      | -                                | -                                | 17,393,939                                            | -                                | -           | -                                 | 17,393,939                        | -                                | 584   | -       | -       | 584   |
| 11,772,873                                | -                              | -                              | -                              | -                                | -                                | 11,772                         |                 |                                  |                                  |                                                       |                                  |             |                                   |                                   |                                  |       |         |         |       |

| Net Incremental First Year Peak Demand Savings |         |         |        |         |        |         |                             |                                                    |                                                    |                                      |                                     |                                                    | Progress (%)                         |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
|------------------------------------------------|---------|---------|--------|---------|--------|---------|-----------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|---------|--------------------------------------|--------------------------------------|--------------------------------------|-------|----|--|--|--|--|--|
| Forecasted (kW)                                |         |         |        |         |        |         | Verified (kW)               |                                                    |                                                    |                                      |                                     |                                                    |                                      | Progress (%)                        |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
| 2015                                           | 2016    | 2017    | 2018   | 2019    | 2020   | Total   | 2015<br>Verified<br>Results | 2016<br>Verified<br>2015<br>Results<br>Adjustments | 2017<br>Verified<br>2015<br>Results<br>Adjustments | Total<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2016<br>Results<br>Adjustments | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total   | Total<br>Verified<br>2015<br>Results | Total<br>Verified<br>2016<br>Results | Total<br>Verified<br>2017<br>Results | Total |    |  |  |  |  |  |
| 2,558                                          | 11,009  | 6,946   | 2,331  | 2,207   | 1,832  | 26,883  | 2,025                       | 297                                                | -                                                  | 2,322                                | 27,830                              | 3,174                                              | 31,004                               | 36,136                              | 69,462  | 91                                   | 282                                  | 520                                  | 339   |    |  |  |  |  |  |
| -                                              | -       | 837     | 1,557  | 364     | 327    | 3,085   | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 30,369                              | 30,369  | -                                    | -                                    | 3,628                                | 3,628 |    |  |  |  |  |  |
| 6,626                                          | 10,445  | 8,264   | 6,240  | 5,033   | 5,827  | 43,335  | 5,322                       | 711                                                | -                                                  | 6,033                                | 22,421                              | 220                                                | 22,641                               | 10,181                              | 47,859  | 91                                   | 217                                  | 232                                  | 189   |    |  |  |  |  |  |
| 136                                            | 787     | 1,425   | 1,457  | 5,513   | 1,448  | 6,766   | -                           | 15                                                 | 16                                                 | 31                                   | 355                                 | 85                                                 | 440                                  | 483                                 | 954     | 23                                   | 56                                   | 34                                   | 41    |    |  |  |  |  |  |
| 1,261                                          | 4,275   | 4,750   | 3,747  | 3,685   | 3,617  | 21,355  | 213                         | 39                                                 | -                                                  | 252                                  | 827                                 | 132                                                | 959                                  | 1,197                               | 2,408   | 20                                   | 22                                   | 25                                   | 23    |    |  |  |  |  |  |
| 10,581                                         | 26,516  | 22,222  | 15,832 | 13,702  | 13,073 | 101,424 | 7,560                       | 1,062                                              | 16                                                 | 8,638                                | 53,433                              | 3,611                                              | 55,044                               | 87,866                              | 151,046 | 82                                   | 208                                  | 398                                  | 255   |    |  |  |  |  |  |
|                                                |         |         |        |         |        |         |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
| 839                                            | 1,970   | 3,612   | 3,557  | 3,541   | 3,247  | 16,766  | 35                          | 426                                                | 37                                                 | 488                                  | 365                                 | 355                                                | 720                                  | 1,013                               | 2,231   | 59                                   | 37                                   | 28                                   | 39    |    |  |  |  |  |  |
| 16,794                                         | 91,208  | 70,163  | 51,563 | 49,911  | 50,090 | 330,219 | 2,828                       | 12,716                                             | 1,055                                              | 16,599                               | 72,374                              | 26,368                                             | 98,742                               | 101,145                             | 218,486 | 99                                   | 108                                  | 147                                  | 122   |    |  |  |  |  |  |
| 720                                            | 1,630   | 8,489   | 8,319  | 6,045   | 6,151  | 32,254  | -                           | -                                                  | -                                                  | 2,613                                | 895                                 | 3,507                                              | 10,734                               | 14,241                              | -       | -                                    | 215                                  | 126                                  | 131   |    |  |  |  |  |  |
| 980                                            | 6,881   | 5,367   | 1,142  | 3,523   | 3,582  | 23,439  | -                           | 96                                                 | 59                                                 | 155                                  | 5,693                               | 2,206                                              | 7,899                                | 7,895                               | 15,491  | 18                                   | 115                                  | 147                                  | 141   |    |  |  |  |  |  |
| -                                              | 546     | 1,109   | 920    | 896     | 859    | 4,330   | -                           | -                                                  | -                                                  | -                                    | 83                                  | 83                                                 | 80                                   | 163                                 | -       | -                                    | 13                                   | 7                                    | 9     |    |  |  |  |  |  |
| -                                              | 159     | 1,967   | 2,077  | 1,748   | 1,427  | 7,378   | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 734                                 | 734     | -                                    | 37                                   | 35                                   | -     |    |  |  |  |  |  |
| 3,014                                          | 5,110   | 20,462  | 21,348 | 31,429  | 17,040 | 98,403  | -                           | -                                                  | -                                                  | -                                    | 61                                  | 4,682                                              | 4,743                                | 2,644                               | 7,387   | -                                    | 93                                   | 13                                   | 26    |    |  |  |  |  |  |
| 1,962                                          | 2,895   | 2,762   | 3,102  | 3,194   | 3,271  | 16,286  | -                           | -                                                  | -                                                  | 1,510                                | 1,781                               | 3,291                                              | 2,848                                | 6,139                               | -       | -                                    | 114                                  | 103                                  | 91    |    |  |  |  |  |  |
| 149                                            | 136     | 608     | -      | -       | 106    | 1,150   | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| 650                                            | 10,988  | -       | -      | -       | -      | 11,638  | -                           | 341                                                | 208                                                | 549                                  | 4,244                               | 2,874                                              | 7,118                                | 3,090                               | 10,757  | 84                                   | 65                                   | -                                    | 92    |    |  |  |  |  |  |
| -                                              | 4,434   | -       | -      | -       | -      | 3,434   | -                           | -                                                  | -                                                  | -                                    | 1,595                               | 1,888                                              | 3,484                                | 3,484                               | 3,484   | -                                    | 101                                  | 101                                  | 101   |    |  |  |  |  |  |
| 24,168                                         | 125,555 | 114,529 | 94,008 | 101,295 | 85,738 | 545,297 | 2,863                       | 13,579                                             | 1,359                                              | 17,801                               | 88,455                              | 41,132                                             | 129,587                              | 132,181                             | 279,571 | 74                                   | 103                                  | 115                                  | 106   |    |  |  |  |  |  |
|                                                |         |         |        |         |        |         |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
| -                                              | 44      | 210     | 210    | 210     | 210    | 884     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | 24      | 12     | 12      | 6      | 42      | -                           | -                                                  | -                                                  | -                                    | 160                                 | -                                                  | 160                                  | 728                                 | 888     | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | 10                                                 | 10                                   | 2                                   | 12      | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 296     | 517     | 308    | 365     | 321    | 1,827   | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 277                                 | 277     | -                                    | -                                    | 52                                   | 31    |    |  |  |  |  |  |
| -                                              | -       | 1,514   | 2,052  | 2,560   | 2,560  | 8,796   | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | 184     | 494    | 294     | 196    | 1,568   | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 256                                 | 256     | -                                    | -                                    | 44                                   | 44    |    |  |  |  |  |  |
| -                                              | 625     | 2,603   | 3,680  | 4,922   | 11,810 | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | 4,092   | 4,092  | 4,092   | 4,022  | 16,298  | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 1,142                               | 1,142   | -                                    | -                                    | 28                                   | 28    |    |  |  |  |  |  |
| -                                              | 58      | 980     | 612    | 490     | 245    | 2,385   | -                           | -                                                  | -                                                  | -                                    | 75                                  | 14                                                 | 89                                   | 2,021                               | 2,110   | -                                    | 153                                  | 206                                  | 203   |    |  |  |  |  |  |
| -                                              | 624     | 2,184   | 2,184  | 1,248   | 6,240  | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 9,851   | 15,806  | 20,685 | 22,980  | 23,259 | 92,581  | -                           | -                                                  | -                                                  | -                                    | 4,887                               | 4,887                                              | 23,971                               | 28,858                              | -       | -                                    | 50                                   | 152                                  | 112   |    |  |  |  |  |  |
| -                                              | 10,249  | 24,992  | 33,264 | 36,876  | 36,989 | 142,370 | -                           | -                                                  | -                                                  | -                                    | 235                                 | 4,911                                              | 5,146                                | 28,397                              | 33,543  | -                                    | 50                                   | 114                                  | 95    |    |  |  |  |  |  |
|                                                |         |         |        |         |        |         |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
| -                                              | -       | 144     | 17     | 17      | 14     | 192     | -                           | -                                                  | -                                                  | -                                    | 4                                   | 8                                                  | 12                                   | 12                                  | -       | -                                    | -                                    | -                                    | 8     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | 18                                                 | 18                                   | -                                   | 18      | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | 3       | 3      | 4       | 4      | 14      | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| 15                                             | -       | -       | -      | -       | -      | 15      | -                           | -                                                  | 12                                                 | 12                                   | -                                   | -                                                  | -                                    | -                                   | 12      | -                                    | 80                                   | -                                    | 80    |    |  |  |  |  |  |
| -                                              | 423     | -       | -      | -       | -      | 423     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 160     | -       | -      | -       | -      | 160     | -                           | -                                                  | -                                                  | -                                    | 36                                  | -                                                  | 36                                   | -                                   | 36      | -                                    | 23                                   | -                                    | 23    |    |  |  |  |  |  |
| -                                              | -       | 208     | -      | -       | -      | 208     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | 53      | 107    | 107     | 267    | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 59                                  | 59      | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 125     | 125     | 176    | 176     | 176    | 778     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 12                                  | 12      | -                                    | 10                                   | 5                                    | -     |    |  |  |  |  |  |
| -                                              | 129     | -       | -      | -       | -      | 129     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| 411                                            | -       | -       | -      | -       | -      | 411     | -                           | -                                                  | -                                                  | -                                    | 2                                   | -                                                  | 2                                    | -                                   | 2       | -                                    | 0                                    | -                                    | 0     |    |  |  |  |  |  |
| 70                                             | -       | -       | -      | -       | -      | 70      | -                           | 68                                                 | -                                                  | 68                                   | -                                   | -                                                  | -                                    | -                                   | 68      | -                                    | 92                                   | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | 29                                  | -                                                  | 29                                   | -                                   | 29      | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 234     | -       | -      | -       | -      | 234     | -                           | -                                                  | -                                                  | -                                    | 23                                  | -                                                  | 23                                   | -                                   | 23      | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | 32                                  | 32                                                 | 32                                   | -                                   | 32      | -                                    | 14                                   | -                                    | 14    |    |  |  |  |  |  |
| -                                              | 200     | -       | 200    | 130     | 78     | 608     | -                           | -                                                  | -                                                  | -                                    | 828                                 | -                                                  | 828                                  | -                                   | 828     | -                                    | 414                                  | -                                    | 414   |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | 27                                  | -                                                  | 27                                   | -                                   | 27      | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 119     | -       | -      | -       | -      | 119     | -                           | -                                                  | -                                                  | -                                    | 199                                 | 11                                                 | 11                                   | 146                                 | 157     | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | 204     | -       | -      | -       | -      | 204     | -                           | -                                                  | -                                                  | -                                    | 159                                 | -                                                  | 159                                  | -                                   | 159     | -                                    | 167                                  | -                                    | 167   |    |  |  |  |  |  |
| 15                                             | 1,523   | 824     | 657    | 434     | 379    | 3,822   | -                           | 68                                                 | 12                                                 | 80                                   | 3,576                               | 69                                                 | 1,645                                | 295                                 | 2,020   | -                                    | 533                                  | 108                                  | 36    | 85 |  |  |  |  |  |
|                                                |         |         |        |         |        |         |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
| -                                              | -       | 1       | 207    | 1       | 1      | 210     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | 157     | -      | -       | -      | 157     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 927                                 | 927     | -                                    | 550                                  | -                                    | 550   |    |  |  |  |  |  |
| -                                              | -       | 158     | 207    | 1       | 1      | 367     | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | 927                                 | 927     | -                                    | 587                                  | -                                    | 587   |    |  |  |  |  |  |
|                                                |         |         |        |         |        |         |                             |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   | -                                                  | -                                    | -                                   | -       | -                                    | -                                    | -                                    | -     |    |  |  |  |  |  |
| -                                              | -       | -       | -      | -       | -      | -       | -                           | -                                                  | -                                                  | -                                    | -                                   |                                                    |                                      |                                     |         |                                      |                                      |                                      |       |    |  |  |  |  |  |

Net-to-Gross  
Adjustment -  
Energy



Net-to-Gross  
Adjustment -  
Peak  
Demand

| Realization Rate - Energy           |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|-------------------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|-------|--|--|--|
| Verified (%)                        |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 2015<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2015<br>Results<br>Adjustments | 2017<br>Verified<br>2015<br>Results<br>Adjustments | Total<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2016<br>Results<br>Adjustments | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total |  |  |  |
| 100                                 | 100                                                |                                                    | 100                                  | 167                                 | 176                                                | 168                                  | 275                                 | 88    |  |  |  |
| 100                                 | 119                                                |                                                    | 102                                  | 112                                 | 112                                                | 112                                  | 107                                 | 72    |  |  |  |
|                                     | 14                                                 | 100                                                | 96                                   | 20                                  | 18                                                 | 19                                   | 23                                  | 54    |  |  |  |
| 94                                  | 107                                                |                                                    | 97                                   | 72                                  | 86                                                 | 75                                   | 54                                  |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 100                                 |                                                    | 100                                                | 749                                  |                                     | 100                                                | 201                                  | 100                                 | 102   |  |  |  |
| 96                                  | 98                                                 | 99                                                 | 98                                   | 93                                  | 95                                                 | 94                                   | 102                                 | 87    |  |  |  |
|                                     |                                                    |                                                    |                                      | 68                                  | 2,610                                              | 90                                   | 87                                  | 110   |  |  |  |
|                                     | 94                                                 | 84                                                 | 90                                   | 115                                 | 115                                                | 115                                  | 110                                 | 100   |  |  |  |
|                                     |                                                    |                                                    |                                      | 100                                 | 100                                                | 100                                  | 100                                 | 69    |  |  |  |
|                                     |                                                    | 100                                                | 100                                  | 110                                 | 100                                                | 100                                  | 107                                 | 84    |  |  |  |
|                                     |                                                    |                                                    |                                      | 98                                  | 98                                                 | 98                                   | 94                                  | 103   |  |  |  |
|                                     | 94                                                 | 102                                                | 97                                   | 102                                 | 103                                                | 102                                  | 103                                 | 100   |  |  |  |
|                                     |                                                    |                                                    |                                      | 101                                 | 99                                                 | 100                                  |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      | 61                                  |                                                    | 61                                   | 65                                  | 79    |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     | 93                                                 | 93                                   | 48                                  | 35    |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 100   |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 114   |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      | 31                                  | 31                                                 | 31                                   |                                     | 37    |  |  |  |
|                                     |                                                    |                                                    |                                      | 87                                  | 87                                                 |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 87    |  |  |  |
|                                     |                                                    | 48                                                 | 48                                   |                                     |                                                    |                                      |                                     | 92    |  |  |  |
|                                     |                                                    |                                                    |                                      | 54                                  |                                                    | 54                                   |                                     | 104   |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 109   |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 52    |  |  |  |
|                                     |                                                    |                                                    |                                      | 54                                  |                                                    | 54                                   |                                     | 19    |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     | 19                                                 | 19                                   |                                     | 24    |  |  |  |
|                                     |                                                    |                                                    |                                      | 24                                  |                                                    | 24                                   |                                     | 103   |  |  |  |
|                                     |                                                    |                                                    |                                      | 103                                 | 66                                                 | 66                                   | 96                                  | 83    |  |  |  |
|                                     |                                                    |                                                    |                                      | 83                                  |                                                    |                                      |                                     | 55    |  |  |  |
|                                     |                                                    |                                                    |                                      | 130                                 |                                                    | 130                                  |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      | 100                                 | 70    |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 23                                  |                                                    |                                                    | 23                                   |                                     |                                                    |                                      |                                     | 247   |  |  |  |
| 100                                 |                                                    |                                                    | 100                                  |                                     |                                                    | 247                                  |                                     | 72    |  |  |  |
|                                     |                                                    |                                                    |                                      | 72                                  | 72                                                 | 72                                   | 118                                 |       |  |  |  |
| 100                                 |                                                    |                                                    | 100                                  |                                     |                                                    |                                      |                                     | 107   |  |  |  |
| 107                                 |                                                    |                                                    | 107                                  |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 100                                 |                                                    |                                                    | 100                                  |                                     |                                                    |                                      |                                     | 101   |  |  |  |
| 100                                 | 103                                                |                                                    | 101                                  |                                     |                                                    |                                      |                                     | 100   |  |  |  |
| 100                                 | 96                                                 |                                                    | 100                                  |                                     |                                                    |                                      |                                     | 100   |  |  |  |
| 100                                 | 119                                                |                                                    | 100                                  |                                     |                                                    |                                      |                                     | 84    |  |  |  |
| 76                                  | 97                                                 | 100                                                |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 100                                 |                                                    |                                                    | 166                                  |                                     |                                                    |                                      |                                     | 88    |  |  |  |
| 99                                  | 97                                                 | 88                                                 | 99                                   |                                     |                                                    |                                      |                                     | 46    |  |  |  |
| 71                                  |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 98    |  |  |  |
| 98                                  | 98                                                 |                                                    | 100                                  |                                     |                                                    |                                      |                                     | 100   |  |  |  |
| 100                                 | 100                                                |                                                    | 100                                  |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 100                                 | 100                                                | 105                                                | 100                                  |                                     |                                                    |                                      |                                     | 101   |  |  |  |
| 101                                 | 97                                                 |                                                    | 101                                  |                                     |                                                    |                                      |                                     | 100   |  |  |  |
| 100                                 |                                                    |                                                    | 100                                  |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 87                                  | 97                                                 |                                                    | 88                                   |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
| 75                                  |                                                    |                                                    | 75                                   |                                     |                                                    |                                      |                                     | 98    |  |  |  |
| 87                                  |                                                    | 98                                                 | 76                                   |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |  |  |

| Realization<br>Rate -<br>Energy |
|---------------------------------|
|---------------------------------|

| Realization Rate - Peak Demand      |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|-------------------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------------|-------------------------------------|-------|--|
| Verified (%)                        |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
| 2015<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2015<br>Results<br>Adjustments | 2017<br>Verified<br>2015<br>Results<br>Adjustments | Total<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2016<br>Results<br>Adjustments | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total |  |
| 100                                 | 99                                                 |                                                    | 100                                  | 164                                 | 178                                                | 165                                  | 282                                 |       |  |
| 100                                 | 204                                                |                                                    | 106                                  | 108                                 | 108                                                | 108                                  | 72                                  |       |  |
| 97                                  | 100                                                |                                                    | 98                                   | 18                                  | 12                                                 | 17                                   | 15                                  |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
| 100                                 |                                                    | 100                                                | 749                                  |                                     | 100                                                | 201                                  | 100                                 |       |  |
| 81                                  | 85                                                 | 73                                                 | 83                                   | 89                                  | 86                                                 | 88                                   | 108                                 |       |  |
|                                     |                                                    |                                                    |                                      | 48                                  | 1,597                                              | 64                                   | 67                                  |       |  |
|                                     | 86                                                 | 98                                                 | 90                                   | 112                                 | 115                                                | 113                                  | 106                                 |       |  |
|                                     |                                                    |                                                    |                                      |                                     | 77                                                 | 77                                   | 99                                  |       |  |
|                                     |                                                    |                                                    |                                      | 97                                  | 102                                                | 102                                  | 205                                 |       |  |
|                                     |                                                    |                                                    |                                      | 93                                  | 94                                                 | 93                                   | 111                                 |       |  |
|                                     | 99                                                 | 107                                                | 102                                  | 92                                  | 108                                                | 97                                   | 109                                 |       |  |
|                                     |                                                    |                                                    |                                      | 103                                 | 104                                                | 103                                  |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      | 61                                  |                                                    | 61                                   | 61                                  |       |  |
|                                     |                                                    |                                                    |                                      |                                     | 20                                                 | 20                                   | 13                                  |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 9     |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 6     |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 83    |  |
|                                     |                                                    |                                                    |                                      | 85                                  | 88                                                 | 86                                   | 104                                 |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      | 11                                  | 21                                                 | 16                                   |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     | 225                                                | 225                                  |                                     |       |  |
|                                     |                                                    |                                                    |                                      | 14                                  |                                                    | 14                                   |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 91    |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     | 118   |  |
|                                     | 85                                                 |                                                    | 85                                   |                                     |                                                    |                                      |                                     | 85    |  |
|                                     |                                                    |                                                    |                                      | 9                                   |                                                    | 9                                    |                                     | 129   |  |
|                                     |                                                    |                                                    |                                      | 129                                 |                                                    | 129                                  |                                     | 52    |  |
|                                     |                                                    |                                                    |                                      |                                     | 52                                                 |                                      |                                     | 49    |  |
|                                     |                                                    |                                                    |                                      | 148                                 | 48                                                 | 148                                  | 47                                  | 5     |  |
|                                     |                                                    |                                                    |                                      | 5                                   |                                                    | 5                                    |                                     | 130   |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      | 130                                 |                                                    | 130                                  |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |
|                                     |                                                    |                                                    |                                      |                                     |                                                    |                                      |                                     |       |  |

| Realization<br>Rate - Peak<br>Demand |
|--------------------------------------|
|--------------------------------------|

| Gross Incremental First Year Energy Savings |               |             |             |             |             |               |               |               |               |                | Verified (kWh) |               |               |                |               |               |               |                |              |              |              | Progress (%) |   |   |   | Gross Incremental First Year Energy Savings |   |
|---------------------------------------------|---------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|--------------|--------------|--------------|--------------|---|---|---|---------------------------------------------|---|
| Forecasted (kWh)                            |               |             |             |             |             | Total         |               |               |               |                | 2015 Results   |               |               |                |               | 2016 Results  |               |                |              |              | 2017 Results |              |   |   |   |                                             |   |
| 2015                                        | 2016          | 2017        | 2018        | 2019        | 2020        | Total         | 2015 Verified | 2016 Verified | 2017 Verified | Total Verified | 2015 Verified  | 2016 Verified | 2017 Verified | Total Verified | 2015 Verified | 2016 Verified | 2017 Verified | Total Verified | 2015 Results | 2016 Results | 2017 Results | Total        |   |   |   |                                             |   |
| 25,201,786                                  | 138,894,384   | 74,748,562  | 24,165,832  | 22,212,143  | 18,392,021  | 303,614,728   | 19,373,413    | 2,792,208     | -             | 22,165,621     | 305,313,062    | 35,078,081    | 340,391,143   | 403,437,234    | 765,993,959   | 88            | 245           | 540            | 321          | -            | -            | -            | - |   |   |                                             |   |
| 121,227,726                                 | 50,773,375    | 59,402,171  | 39,893,988  | 32,520,308  | 30,911,280  | 274,667,827   | 18,146,542    | 2,453,325     | -             | 20,599,867     | 198,212,762    | 1,058,354     | 199,271,116   | 82,439,171     | 212,310,354   | 97            | 235           | 147            | 165          | -            | -            | -            | - |   |   |                                             |   |
| 1,193,780                                   | 5,719,030     | 15,939,280  | 16,880,846  | 16,614,437  | 16,082,461  | 71,749,844    | -             | 85,676        | 574,544       | 659,220        | 2,001,097      | 510,909       | 2,512,006     | 2,153,447      | 5,324,673     | 55            | 44            | 13             | 23           | -            | -            | -            | - |   |   |                                             |   |
| 2,354,851                                   | 6,839,822     | 8,731,670   | 7,162,451   | 7,002,786   | 6,748,178   | 38,839,758    | 1,145,792     | 284,282       | -             | 1,430,074      | 7,590,437      | 1,646,201     | 9,236,638     | 8,240,971      | 18,907,683    | 61            | 135           | 94             | 105          | -            | -            | -            | - |   |   |                                             |   |
| 49,578,139                                  | 202,226,611   | 100,614,851 | 125,022,978 | 85,040,211  | 76,564,378  | 719,631,128   | 34,665,747    | 5,614,491     | 574,544       | 44,354,792     | 423,117,358    | 32,223,545    | 451,417,903   | 613,412,614    | 1,335,678,195 | 90            | 228           | 48             | 310          | -            | -            | -            | - |   |   |                                             |   |
| 4,609,406                                   | 15,879,624    | 24,785,464  | 24,655,416  | 24,572,448  | 22,222,212  | 116,723,470   | 165,936       | 2,224,941     | 177,102       | 2,567,879      | 4,079,589      | 3,964,671     | 8,044,260     | 24,223,674     | 34,848,914    | 56            | 51            | 98             | 77           | -            | -            | -            | - |   |   |                                             |   |
| 143,112,220                                 | 853,458,113   | 614,396,387 | 446,097,163 | 415,419,593 | 406,254,547 | 2,879,758,001 | 25,397,914    | 113,077,820   | 34,400,965    | 172,816,699    | 654,772,218    | 215,618,281   | 870,410,499   | 720,261,137    | 1,763,508,319 | 121           | 102           | 117            | 109          | -            | -            | -            | - |   |   |                                             |   |
| 21,227,726                                  | 11,413,524    | 57,536,587  | 57,101,360  | 42,390,045  | 37,338,613  | 209,502,897   | -             | -             | -             | -              | 15,862,461     | 4,784,990     | 19,647,451    | 54,572,858     | 74,228,309    | -             | 172           | 95             | 162          | -            | -            | -            | - |   |   |                                             |   |
| 4,898,894                                   | 6,811,058     | 44,355,680  | 22,878,472  | 25,985,978  | 25,351,260  | 187,381,832   | -             | 898,778       | 644,789       | 1,543,567      | 29,246,403     | 17,003,603    | 46,250,006    | 82,778,989     | 180,571,972   | 32            | 72            | 187            | 119          | -            | -            | -            | - |   |   |                                             |   |
| -                                           | 1,605,381     | 4,517,699   | 3,116,175   | 3,286,711   | 3,309,273   | 15,368,381    | -             | -             | -             | -              | 730,126        | 7,301,301     | 1,607,081     | 9,638,527      | 33,207,267    | -             | 45            | 39             | 41           | -            | -            | -            | - |   |   |                                             |   |
| -                                           | 1,346,086     | 16,714,994  | 18,198,809  | 15,267,872  | 12,447,185  | 63,974,946    | -             | -             | -             | -              | -              | -             | -             | 5,193,707      | 6,193,707     | -             | 31            | 29             | -            | -            | -            | -            | - | - | - |                                             |   |
| 36,508,171                                  | 76,324,888    | 105,618,528 | 196,857,063 | 264,421,148 | 180,368,374 | 921,098,172   | -             | -             | -             | -              | 17,265,066     | 895,441       | 56,788,672    | 57,684,113     | 16,014,669    | 96,961,848    | 47            | 76             | 10           | 33           | -            | -            | - | - | - |                                             |   |
| 7,284,408                                   | 24,422,811    | 26,066,780  | 27,058,803  | 28,431,907  | 28,856,780  | 145,023,466   | -             | -             | -             | -              | 39,026,230     | 12,026,588    | 31,052,818    | 29,476,261     | 60,523,073    | -             | 118           | 113            | 301          | -            | -            | -            | - | - | - |                                             |   |
| 1,485,500                                   | 1,809,500     | 7,490,091   | 7,629,667   | 7,218,478   | 2,531,856   | 18,311,131    | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| 6,028,907                                   | 129,194,797   | -           | -           | -           | -           | 135,223,704   | -             | 2,300,789     | 1,577,242     | 3,878,031      | 58,187,371     | 22,695,491    | 80,882,862    | 23,791,318     | 108,552,211   | 64            | 63            | -              | 80           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 29,699,422    | -           | -           | -           | -           | 29,699,422    | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| 208,024,674                                 | 1,713,535,201 | 961,092,140 | 789,593,728 | 822,016,374 | 715,136,074 | 4,730,587,003 | 25,563,809    | 118,462,328   | 54,065,164    | 158,091,342    | 754,539,215    | 34,816,815    | 1,117,043,070 | 957,915,104    | 2,267,765,546 | 95            | 84            | 100            | 97           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 242,553       | 1,165,000   | 1,165,000   | 1,165,000   | 1,165,000   | 4,902,553     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 516,000     | 2,987,260   | 1,869,940   | 1,671,280   | 6,654,480     | -             | -             | -             | -              | -              | -             | 1,344,706     | -              | 1,344,706     | -             | 5,516,771     | 6,861,477      | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 1,533,750     | 2,787,335   | 1,600,365   | 1,892,800   | 1,667,850   | 9,482,100     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 6,572,493     | 8,752,477   | 10,972,025  | 10,972,025  | 37,309,218  | 70,526,248    | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 3,852,734     | 3,385,172   | 3,385,172   | 451,500     | 8,842,134   | 19,912,712    | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 5,759,800     | 23,979,070  | 33,978,856  | 45,340,059  | 109,057,775 | 222,354,760   | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 9,600,831     | 9,938,970   | 9,864,952   | 9,597,188   | 39,003,941  | 68,944,882    | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 563,885       | 3,471,296   | 5,520,791   | 4,746,633   | 2,368,116   | 17,165,631    | -             | -             | -             | -              | 818,022        | 154,217       | 988,239       | 15,790,060     | 16,778,319    | 175           | 167           | 62             | 62           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 2,617,611     | 9,161,784   | 9,161,784   | 5,235,305   | 26,176,826  | 49,733,760    | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 51,435,879    | 104,273,242 | 111,892,158 | 127,609,284 | 132,248,163 | 627,558,726   | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 53,776,067    | 146,618,376 | 178,431,353 | 202,365,462 | 210,917,676 | 792,050,334   | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 1,746,425   | 910,594     | 910,594     | 728,475     | 4,296,088     | -             | -             | -             | -              | -              | -             | 205,088       | 203,083        | 408,171       | -             | 408,171       | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 1,614,988   | 1,635,045   | 1,460,702   | 1,460,702   | 6,171,437     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| 187,000                                     | -             | -           | -           | -           | -           | 1,092,825     | -             | -             | 90,118        | 90,118         | -              | -             | -             | -              | 90,118        | 48            | -             | -              | -            | -            | -            | -            | - | - | - | -                                           | - |
| -                                           | 1,308,000     | -           | -           | -           | -           | 1,308,000     | -             | -             | -             | -              | -              | -             | 1,145,480     | -              | 1,145,480     | -             | 1,145,480     | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | 1,781,855   | -           | -           | 1,781,855     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 901,431       | 1,756,600   | 472,120     | 945,039     | 945,039     | 4,524,628     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 1,093,750     | 1,093,750   | 1,531,250   | 1,531,250   | 1,531,250   | 6,781,250     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 1,560,000   | -           | -           | -           | 1,560,000     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 2,500,000     | -           | -           | -           | -           | 2,500,000     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 616,360       | -           | -           | -           | -           | 616,360       | -             | -             | 667,979       | 667,979        | 2,864,454      | -             | 2,864,454     | -              | 2,864,454     | 115           | 115           | 115            | 115          | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 592,703       | -           | -           | -           | -           | 592,703       | -             | -             | -             | -              | 443,530        | -             | 443,530       | -              | 443,530       | -             | 443,530       | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 4,403,700     | -           | -           | -           | -           | 4,403,700     | -             | -             | -             | -              | 334,435        | -             | 334,435       | -              | 334,435       | 56            | 56            | 56             | 56           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 3,588,200     | -           | -           | -           | -           | 3,588,200     | -             | -             | -             | -              | 157,963        | -             | 157,963       | -              | 157,963       | 4             | 4             | 4              | 4            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | 1,539,807      | -             | 1,539,807     | -              | 1,539,807     | 43            | 43            | 43             | 43           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 299,850       | -           | -           | -           | -           | 299,850       | -             | -             | -             | -              | 524,034        | -             | 524,034       | -              | 524,034       | -             | 524,034       | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | 178,202        | -             | 178,202       | -              | 178,202       | 85            | 85            | 85             | 85           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | 3,363,113     | -           | -           | -           | -           | 3,363,113     | -             | -             | -             | -              | 7,034,431      | -             | 7,034,431     | -              | 7,034,431     | 209           | 209           | 209            | 209          | -            | -            | -            | - | - | - | -                                           |   |
| 187,000                                     | 15,575,107    | 11,414,597  | 9,919,464   | 7,127,585   | 7,156,291   | 54,434,444    | -             | 667,979       | 90,118        | 754,097        | 14,505,481     | 544,887       | 14,814,368    | 2,167,365      | 17,739,818    | 406           | 80            | 19             | 25           | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 2,000       | 2,000       | 2,000       | 2,000       | 8,000         | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 3,000       | 1,241,600   | -           | 2,000       | 4,242,600     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 1,425,452   | 2,000       | 2,000       | 2,000       | 2,431,852     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 1,193,432   | 1,241,600   | 1,000       | 8,000       | 2,692,432     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| 8,746,466                                   | -             | -           | -           | -           | -           | 8,746,466     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | -           | -           | -           | -           | -             | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| 8,746,466                                   | -             | -           | -           | -           | -           | 8,746,466     | -             | -             | -             | -              | -              | -             | -             | -              | -             | -             | -             | -              | -            | -            | -            | -            | - | - | - | -                                           |   |
| -                                           | -             | 1,163,888   | 7,987,059</ |             |             |               |               |               |               |                |                |               |               |                |               |               |               |                |              |              |              |              |   |   |   |                                             |   |



| Participant Incentive Spending |             |             |             |             |            |             |  | Verified (\$)         |                                        |                                        |                             |                            |                                        |                             |                            |             |                             |                             |                             | Progress (%) |    |  |  |
|--------------------------------|-------------|-------------|-------------|-------------|------------|-------------|--|-----------------------|----------------------------------------|----------------------------------------|-----------------------------|----------------------------|----------------------------------------|-----------------------------|----------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|--------------|----|--|--|
| Forecasted (\$)                |             |             |             |             |            |             |  |                       |                                        |                                        |                             |                            |                                        |                             |                            |             |                             |                             |                             |              |    |  |  |
| 2015                           | 2016        | 2017        | 2018        | 2019        | 2020       | Total       |  | 2015 Verified Results | 2016 Verified 2015 Results Adjustments | 2017 Verified 2015 Results Adjustments | Total Verified 2015 Results | 2016 Verified 2016 Results | 2017 Verified 2016 Results Adjustments | Total Verified 2016 Results | 2017 Verified 2017 Results | Total       | Total Verified 2015 Results | Total Verified 2016 Results | Total Verified 2017 Results | Total        |    |  |  |
| 3,592,959                      | 16,695,644  | 18,087,454  | 4,655,809   | 4,314,425   | 3,408,324  | 90,754,615  |  | 3,845,994             | -                                      | -                                      | 3,845,994                   | 27,891,182                 | -                                      | 27,891,182                  | 67,929,128                 | 99,666,304  | 107                         | 167                         | 376                         | 260          |    |  |  |
| 3,301,165                      | 18,952,591  | 16,329,239  | 12,341,624  | 10,538,463  | 10,062,110 | 71,596,192  |  | 6,213,250             | -35,350                                | -                                      | 6,177,900                   | 32,281,350                 | -                                      | 32,281,350                  | 38,242,200                 | 70,793,450  | 187                         | 170                         | 234                         | 199          |    |  |  |
| 50,167                         | 7,741,073   | 2,486,154   | 2,532,006   | 2,635,863   | 2,556,567  | 12,002,530  |  | -                     | -                                      | -                                      | -                           | 631,532                    | -                                      | 631,532                     | 2,493,817                  | 3,124,349   | -                           | 36                          | 100                         | 73           |    |  |  |
| 530,956                        | 5,761,256   | 5,897,066   | 5,289,181   | 5,227,338   | 4,967,479  | 27,129,066  |  | 753,158               | -                                      | -                                      | 753,158                     | 4,839,355                  | -                                      | 4,839,355                   | 6,380,412                  | 11,972,925  | 142                         | 93                          | 108                         | 103          |    |  |  |
| 7,475,247                      | 42,696,464  | 45,010,277  | 28,553,899  | 23,897,540  | 21,876,843 | 169,330,261 |  | 10,812,402            | -35,350                                | -                                      | 10,777,052                  | 65,643,419                 | -                                      | 65,643,419                  | 130,286,353                | 206,700,824 | 144                         | 154                         | 289                         | 217          |    |  |  |
| 42,693                         | 1,326,241   | 1,775,780   | 1,792,649   | 1,787,649   | 1,473,399  | 8,198,411   |  | 6,420                 | -                                      | -                                      | 6,420                       | 543,115                    | -                                      | 543,115                     | 2,213,346                  | 2,762,881   | 15                          | 41                          | 125                         | 88           |    |  |  |
| 6,129,194                      | 84,953,759  | 74,223,424  | 55,544,888  | 49,350,340  | 48,501,543 | 318,729,158 |  | 2,662,418             | -                                      | -                                      | 2,662,418                   | 56,156,230                 | -                                      | 56,156,230                  | 81,242,263                 | 140,060,911 | 43                          | 66                          | 109                         | 85           |    |  |  |
| -                              | 2,578,089   | 12,555,404  | 11,764,795  | 8,554,112   | 7,677,319  | 43,129,719  |  | -                     | -                                      | -                                      | -                           | 2,034,251                  | -                                      | 2,034,251                   | 7,860,941                  | 9,895,192   | -                           | 79                          | 50                          | 62           |    |  |  |
| 336,193                        | 11,888,870  | 5,590,918   | 3,147,979   | 4,116,118   | 4,127,949  | 29,898,227  |  | -                     | -                                      | -                                      | -                           | 1,424,439                  | -                                      | 1,424,439                   | 6,222,187                  | 7,646,626   | -                           | 12                          | 111                         | 43           |    |  |  |
| -                              | 347,839     | 850,810     | 660,810     | 683,131     | 674,686    | 3,217,880   |  | -                     | -                                      | -                                      | -                           | 66,640                     | -                                      | 66,640                      | 145,336                    | 211,976     | -                           | 19                          | 17                          | 18           |    |  |  |
| -                              | 380,275     | 3,882,276   | 4,271,361   | 3,483,133   | 2,727,706  | 14,744,751  |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 2,806,910                  | 2,806,910   | -                           | -                           | -                           | 72           | 66 |  |  |
| 847,441                        | 9,727,104   | 29,674,565  | 36,954,150  | 49,947,358  | 26,874,958 | 153,625,576 |  | 16,893                | -                                      | -                                      | 16,893                      | 2,742,147                  | -                                      | 2,742,147                   | 9,929,021                  | 12,688,061  | 2                           | 28                          | 33                          | 32           |    |  |  |
| -                              | 3,477,014   | 5,507,297   | 6,309,229   | 6,308,844   | 6,548,358  | 27,962,742  |  | -                     | -                                      | -                                      | -                           | 1,405,066                  | -                                      | 1,405,066                   | 4,490,224                  | 5,895,290   | -                           | 40                          | 82                          | 66           |    |  |  |
| -                              | 107,500     | 756,852     | 320,352     | 244,352     | 281,852    | 1,710,908   |  | -                     | -                                      | -                                      | -                           | 31,816                     | -                                      | 31,816                      | 150,000                    | 181,816     | -                           | 30                          | 20                          | 21           |    |  |  |
| 946,699                        | 9,181,235   | -           | -           | -           | -          | 10,127,934  |  | -                     | -                                      | -                                      | -                           | 272,373                    | -                                      | 272,373                     | 10,431,933                 | 10,704,306  | -                           | 3                           | -                           | 106          | -  |  |  |
| -                              | 5,243,894   | -           | -           | -           | -          | 5,243,894   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| 8,302,220                      | 129,211,820 | 134,817,326 | 120,766,223 | 124,487,241 | 98,887,770 | 616,472,600 |  | 2,685,731             | -                                      | -                                      | 2,685,731                   | 64,676,077                 | -                                      | 64,676,077                  | 124,992,161                | 192,353,969 | 32                          | 50                          | 93                          | 71           |    |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | 52,050      | 250,000     | 250,000     | 250,000     | 250,000    | 1,052,050   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 344,300                    | 344,300     | -                           | -                           | 138                         | 114          |    |  |  |
| -                              | -           | 154,800     | 756,362     | 541,682     | 483,842    | 1,936,686   |  | -                     | -                                      | -                                      | -                           | 136,783                    | -                                      | 136,783                     | -                          | 136,783     | -                           | -                           | -                           | 88           |    |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 376,753                    | 376,753     | -                           | -                           | -                           | -            |    |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | 1,125,000   | 2,044,500   | 1,295,500   | 1,510,000   | 1,345,000  | 7,320,000   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 2,559,691                  | 2,559,691   | -                           | -                           | 125                         | 81           |    |  |  |
| -                              | -           | 1,123,573   | 1,768,750   | 2,208,769   | 2,208,769  | 7,509,861   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | 179,160     | 215,120     | 78,348      | 44,967     | 517,665     |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 129,578                    | 129,578     | -                           | -                           | 72                          | 72           |    |  |  |
| -                              | -           | 2,487,187   | 2,683,816   | 1,606,209   | 1,417,733  | 8,195,005   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 3,863                      | 3,863       | -                           | -                           | 0                           | 0            |    |  |  |
| -                              | -           | 2,216,324   | 2,458,049   | 2,406,574   | 2,286,974  | 9,367,921   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 717,600                    | 717,600     | -                           | -                           | 32                          | 32           |    |  |  |
| -                              | -           | 104,527     | 1,756,060   | 1,097,517   | 878,080    | 4,319,015   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 1,748,774                  | 1,748,774   | -                           | -                           | 100                         | 94           |    |  |  |
| -                              | -           | 1,163,357   | 4,073,749   | 4,073,749   | 2,326,714  | 11,633,569  |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | 120,000                    | 120,000     | -                           | -                           | -                           | -            | -  |  |  |
| -                              | 1,281,577   | 11,574,961  | 14,596,933  | 13,551,441  | 10,803,014 | 51,807,926  |  | -                     | -                                      | -                                      | -                           | 136,783                    | -                                      | 136,783                     | 6,000,559                  | 6,137,342   | -                           | -                           | 11                          | 52           | 48 |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | 2,788,622   | 2,272,687   | 2,272,687   | 1,818,150  | 9,152,146   |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | 47,099      | 47,719      | 42,589      | 42,569     | 179,976     |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          | -           | -                           | -                           | -                           | -            | -  |  |  |
| -                              | -           | -           | -           | -           | -          | -           |  | -                     | -                                      | -                                      | -                           | -                          | -                                      | -                           | -                          |             |                             |                             |                             |              |    |  |  |

| DC Administrative Expense Spending |            |            |            |            |            |             | Verified (\$)               |                                            |                                            |                                      |                                     |                                         |                                      |                                     |             |                                      |                                      | Progress (%)                        |       |  |  |
|------------------------------------|------------|------------|------------|------------|------------|-------------|-----------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------|-------------------------------------|-----------------------------------------|--------------------------------------|-------------------------------------|-------------|--------------------------------------|--------------------------------------|-------------------------------------|-------|--|--|
| Forecasted (\$)                    |            |            |            |            |            |             |                             |                                            |                                            |                                      |                                     |                                         |                                      |                                     |             |                                      |                                      |                                     |       |  |  |
| 2015                               | 2016       | 2017       | 2018       | 2019       | 2020       | Total       | 2015<br>Verified<br>Results | 2016<br>Verified<br>Results<br>Adjustments | 2017<br>Verified<br>Results<br>Adjustments | Total<br>Verified<br>2015<br>Results | 2016<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2016<br>Adjustments | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total       | Total<br>Verified<br>2015<br>Results | Total<br>Verified<br>2016<br>Results | 2017<br>Verified<br>2017<br>Results | Total |  |  |
| 896,508                            | 4,299,342  | 5,388,943  | 3,520,792  | 3,797,433  | 3,693,917  | 21,586,935  | 202,446                     | 157,526                                    | -                                          | 359,972                              | 5,995,690                           | -                                       | 5,995,690                            | 7,165,070                           | 13,520,732  | 40                                   | 139                                  | 133                                 | 128   |  |  |
| 303,531                            | 2,214,871  | 1,761,398  | 1,653,368  | 1,596,995  | 1,545,300  | 9,077,463   | 200,334                     | 90,272                                     | -                                          | 290,607                              | 3,164,430                           | 26,143                                  | 3,190,573                            | 3,088,023                           | 6,565,269   | 96                                   | 144                                  | 175                                 | 153   |  |  |
| 34,952                             | 501,945    | 1,068,159  | 1,146,669  | 1,296,060  | 1,468,639  | 5,916,424   | 16,829                      | 19,272                                     | -                                          | 36,101                               | 1,078,795                           | -                                       | 1,078,795                            | 1,360,238                           | 2,475,134   | 103                                  | 120                                  | 127                                 | 123   |  |  |
| 117,076                            | 4,054,919  | 5,263,969  | 4,375,727  | 4,385,997  | 3,979,218  | 22,176,906  | 149,262                     | 100,017                                    | -                                          | 249,279                              | 2,637,793                           | -                                       | 2,637,793                            | 3,421,916                           | 6,308,988   | 213                                  | 65                                   | 65                                  | 67    |  |  |
| 1,392,067                          | 11,471,077 | 14,189,361 | 11,232,985 | 11,543,970 | 11,014,869 | 60,804,329  | 568,871                     | 367,088                                    | -                                          | 935,959                              | 12,876,708                          | 26,143                                  | 12,902,851                           | 15,043,085                          | 29,881,895  | 69                                   | 112                                  | 106                                 | 107   |  |  |
| 205,667                            | 1,604,897  | 1,188,440  | 1,223,802  | 1,302,048  | 1,153,784  | 6,678,638   | 167,592                     | 43,261                                     | -                                          | 210,853                              | 1,527,563                           | -                                       | 1,527,563                            | 1,505,909                           | 3,244,325   | 103                                  | 95                                   | 127                                 | 108   |  |  |
| 7,329,984                          | 34,539,447 | 39,893,834 | 32,648,282 | 33,376,481 | 33,629,824 | 181,417,852 | 5,895,425                   | 1,454,631                                  | -                                          | 7,350,056                            | 35,016,210                          | 27,300                                  | 35,043,510                           | 40,967,396                          | 81,360,962  | 100                                  | 101                                  | 103                                 | 102   |  |  |
| 92,240                             | 3,511,356  | 5,460,121  | 5,575,006  | 5,041,420  | 4,415,922  | 24,105,074  | -                           | 75,438                                     | -                                          | 75,438                               | 3,299,093                           | -                                       | 3,299,093                            | 6,774,759                           | 10,149,290  | 82                                   | 94                                   | 124                                 | 112   |  |  |
| 180,260                            | 2,416,111  | 1,173,000  | 2,827,861  | 2,757,729  | 2,766,386  | 14,511,397  | 148,817                     | 41,141                                     | -                                          | 189,958                              | 2,893,601                           | -                                       | 2,893,601                            | 3,004,828                           | 6,088,387   | 105                                  | 120                                  | 89                                  | 102   |  |  |
| 171                                | 311,219    | 345,297    | 323,136    | 347,684    | 343,610    | 1,691,117   | -                           | 3,133                                      | -                                          | 3,133                                | 526,893                             | -                                       | 526,893                              | 343,785                             | 874,011     | 1,949                                | 159                                  | 100                                 | 117   |  |  |
| 10,556                             | 360,277    | 1,838,814  | 2,208,766  | 1,820,714  | 1,360,787  | 7,599,914   | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | 2,589,120                           | 2,589,120   | -                                    | -                                    | -                                   | 141   |  |  |
| 456,938                            | 4,811,510  | 4,122,370  | 4,983,410  | 4,543,367  | 5,397,581  | 24,315,176  | 341,070                     | 312,940                                    | -                                          | 654,010                              | 4,897,016                           | -                                       | 4,897,016                            | 4,128,475                           | 9,679,501   | 143                                  | 102                                  | 100                                 | 103   |  |  |
| 293,586                            | 1,596,194  | 2,162,633  | 2,242,260  | 2,614,452  | 2,744,062  | 11,845,187  | 156,835                     | 32,158                                     | -                                          | 188,993                              | 720,547                             | -                                       | 720,547                              | 953,904                             | 1,863,444   | 64                                   | 45                                   | 44                                  | 46    |  |  |
| 13,632                             | 106,694    | 265,450    | 238,873    | 275,490    | 241,492    | 1,122,631   | 9,180                       | 10,326                                     | -                                          | 19,506                               | 24,304                              | -                                       | 24,304                               | 213,180                             | 256,990     | 143                                  | 23                                   | 87                                  | 70    |  |  |
| 182,413                            | 14,381,700 | -          | -          | -          | -          | 14,564,113  | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | 1,522,251  | -          | -          | -          | -          | 1,522,251   | -                           | -                                          | -                                          | -                                    | 5                                   | -                                       | 5                                    | 18,934                              | 18,939      | -                                    | 0                                    | -                                   | 2     |  |  |
| 8,765,447                          | 44,612,356 | 58,639,959 | 52,463,396 | 52,079,244 | 52,053,448 | 288,911,850 | 6,718,919                   | 1,973,228                                  | -                                          | 8,692,147                            | 48,905,232                          | 27,300                                  | 48,932,532                           | 60,500,290                          | 118,124,569 | 99                                   | 75                                   | 103                                 | 89    |  |  |
| -                                  | 75,000     | 131,246    | 131,246    | 131,246    | 131,246    | 599,984     | -                           | -                                          | -                                          | -                                    | 26,672                              | -                                       | 26,672                               | 133,396                             | 160,068     | -                                    | 36                                   | 102                                 | 78    |  |  |
| -                                  | -          | 59,967     | 187,512    | 213,075    | 209,401    | 669,955     | -                           | 3,789                                      | -                                          | 3,789                                | 404,753                             | -                                       | 404,753                              | -                                   | 408,542     | -                                    | -                                    | -                                   | 681   |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | 7,021                               | -                                       | 7,021                                | 849,927                             | 856,948     | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | 1,721,400  | 1,630,200  | 1,447,800  | 1,436,400  | 1,618,800  | 7,854,600   | -                           | -                                          | -                                          | -                                    | 355,623                             | -                                       | 355,623                              | 1,015,181                           | 1,370,804   | -                                    | 21                                   | 62                                  | 41    |  |  |
| -                                  | -          | 1,204,007  | 493,263    | 356,500    | 375,607    | 2,429,427   | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | 1,162,697                           | 1,162,697   | -                                    | 97                                   | 97                                  | 97    |  |  |
| -                                  | 4,571      | 156,151    | 134,719    | 85,210     | 53,784     | 484,447     | -                           | -                                          | -                                          | -                                    | 4,571                               | -                                       | 4,571                                | 149,320                             | 154,091     | 100                                  | 66                                   | 96                                  | 96    |  |  |
| -                                  | 91,219     | 343,739    | 343,739    | 343,739    | 343,739    | 1,466,175   | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | 188,064                             | 188,064     | -                                    | 55                                   | 43                                  | -     |  |  |
| -                                  | -          | 360,529    | 341,712    | 267,186    | 256,761    | 1,235,188   | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | 221,390                             | 221,390     | -                                    | 60                                   | 60                                  | -     |  |  |
| -                                  | 211,086    | 364,853    | 364,853    | 364,853    | 364,853    | 1,470,596   | -                           | -                                          | -                                          | -                                    | 100,075                             | -                                       | 100,075                              | 409,119                             | 509,194     | -                                    | 47                                   | 112                                 | 88    |  |  |
| -                                  | 109,210    | 125,619    | 125,619    | 125,619    | 125,619    | 511,726     | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | 71,402                              | 71,402      | -                                    | 57                                   | 30                                  | -     |  |  |
| -                                  | 4,105,674  | 7,867,069  | 6,355,427  | 7,610,384  | 7,427,088  | 33,365,642  | -                           | 1,745                                      | -                                          | 1,745                                | 9,214,899                           | -                                       | 9,214,899                            | 13,492,018                          | 22,708,662  | -                                    | 224                                  | 171                                 | 190   |  |  |
| -                                  | 6,318,200  | 12,252,384 | 9,925,892  | 10,934,214 | 10,906,960 | 50,337,650  | -                           | 5,534                                      | -                                          | 5,534                                | 10,113,614                          | -                                       | 10,113,614                           | 17,692,714                          | 27,811,862  | -                                    | 160                                  | 144                                 | 150   |  |  |
| -                                  | -          | 428,385    | 410,428    | 285,028    | 281,830    | 1,405,671   | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | 71,275     | 73,763     | 73,763     | 73,763     | 292,564     | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | 17,768     | 23,232     | 28,696     | 34,160     | 103,856     | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           | -                           | -                                          | -                                          | -                                    | -                                   | -                                       | -                                    | -                                   | -           | -                                    | -                                    | -                                   | -     |  |  |
| -                                  | -          | -          | -          | -          | -          | -           |                             |                                            |                                            |                                      |                                     |                                         |                                      |                                     |             |                                      |                                      |                                     |       |  |  |

[illegible]

| Total Administrative Expense Spending |            |            |            |            |            |             |                       |                                   |                                   |                       | Total Administrative Expense Spending |                       |            |                             |                             |                             |       |     |     |  |  | Total Administrative Expense Spending |
|---------------------------------------|------------|------------|------------|------------|------------|-------------|-----------------------|-----------------------------------|-----------------------------------|-----------------------|---------------------------------------|-----------------------|------------|-----------------------------|-----------------------------|-----------------------------|-------|-----|-----|--|--|---------------------------------------|
| Forecasted (\$)                       |            |            |            |            |            |             | Verified (\$)         |                                   |                                   |                       |                                       |                       |            | Progress (%)                |                             |                             |       |     |     |  |  |                                       |
| 2015                                  | 2016       | 2017       | 2018       | 2019       | 2020       | Total       | 2015 Verified Results | 2016 Verified Results Adjustments | 2017 Verified Results Adjustments | 2018 Verified Results | 2019 Verified Results                 | 2020 Verified Results | Total      | Total Verified 2015 Results | Total Verified 2016 Results | Total Verified 2017 Results | Total |     |     |  |  |                                       |
|                                       |            |            |            |            |            |             |                       |                                   |                                   |                       |                                       |                       |            |                             |                             |                             |       |     |     |  |  |                                       |
| 1,455,022                             | 5,795,280  | 9,034,951  | 4,015,011  | 4,251,265  | 4,062,840  | 28,614,371  | 1,577,290             | 157,526                           | -                                 | 1,734,816             | 8,854,114                             | -                     | 8,854,114  | 13,334,295                  | 23,923,225                  | 119                         | 153   | 148 | 147 |  |  |                                       |
| 433,724                               | 2,684,573  | 2,661,345  | 2,293,831  | 2,041,248  | 1,946,226  | 12,062,947  | 466,132               | 88,583                            | -                                 | 554,715               | 4,203,390                             | -                     | 4,203,390  | 4,422,832                   | 9,180,937                   | 128                         | 157   | 166 | 159 |  |  |                                       |
| 14,951                                | 926,095    | 1,104,257  | 1,180,535  | 1,331,851  | 1,508,355  | 6,084,243   | 16,829                | 19,272                            | -                                 | 36,101                | 1,078,795                             | -                     | 1,078,795  | 1,360,238                   | 2,475,134                   | 101                         | 136   | 123 | 130 |  |  |                                       |
| 157,422                               | 4,322,731  | 5,678,139  | 4,703,496  | 4,709,534  | 4,249,468  | 23,820,790  | 149,262               | 100,017                           | -                                 | 249,279               | 2,637,793                             | -                     | 2,637,793  | 3,421,916                   | 6,308,988                   | 158                         | 61    | 60  | 62  |  |  |                                       |
| 2,081,120                             | 13,728,679 | 20,978,870 | 14,875,917 | 13,166,827 | 12,876,973 | 76,607,972  | 2,209,513             | 365,398                           | -                                 | 2,574,911             | 16,774,092                            | -                     | 16,774,092 | 23,260,576                  | 42,609,579                  | 124                         | 122   | 114 | 118 |  |  |                                       |
| 205,462                               | 1,620,298  | 1,202,338  | 1,237,720  | 1,315,946  | 1,167,682  | 6,749,629   | 187,592               | 43,261                            | -                                 | 210,853               | 1,527,563                             | -                     | 1,527,563  | 1,505,909                   | 3,244,325                   | 103                         | 94    | 125 | 107 |  |  |                                       |
| 7,329,984                             | 35,545,053 | 40,556,825 | 31,104,426 | 33,793,989 | 34,018,308 | 184,348,585 | 5,895,425             | 1,454,631                         | -                                 | 7,350,056             | 35,016,210                            | 27,300                | 35,043,510 | 40,967,396                  | 83,360,962                  | 100                         | 99    | 101 | 100 |  |  |                                       |
| 92,240                                | 3,612,793  | 6,795,322  | 6,843,138  | 5,845,622  | 5,161,460  | 28,452,875  | -                     | 75,438                            | -                                 | 3,299,093             | 6,774,750                             | -                     | 6,774,750  | 6,698,387                   | 82,910,920                  | 82                          | 91    | 100 | 87  |  |  |                                       |
| 180,250                               | 2,428,885  | 3,977,000  | 2,827,861  | 2,757,579  | 2,766,386  | 14,138,971  | 188,817               | 41,143                            | -                                 | 189,958               | 2,891,601                             | -                     | 2,891,601  | 3,004,628                   | 6,098,387                   | 105                         | 119   | 86  | 102 |  |  |                                       |
| 171                                   | 331,219    | 345,297    | 323,136    | 347,684    | 343,610    | 1,691,511   | -                     | 3,393                             | -                                 | 3,393                 | 256,893                               | -                     | 256,893    | 343,785                     | 874,611                     | 1,349                       | 159   | 100 | 109 |  |  |                                       |
| 10,556                                | 622,924    | 2,977,122  | 3,031,258  | 2,248,581  | 1,554,801  | 10,445,243  | -                     | -                                 | -                                 | -                     | -                                     | -                     | 2,589,120  | 2,589,120                   | 10,445,243                  | -                           | -     | -   | 87  |  |  |                                       |
| 456,038                               | 4,811,511  | 4,122,370  | 4,983,410  | 4,543,367  | 5,977,581  | 24,315,177  | 341,070               | 312,940                           | -                                 | 654,010               | 4,897,016                             | -                     | 4,897,016  | 4,128,475                   | 9,679,501                   | 143                         | 102   | 100 | 103 |  |  |                                       |
| 293,586                               | 1,596,184  | 2,162,610  | 2,434,260  | 2,614,452  | 2,744,062  | 11,845,187  | 156,835               | 32,158                            | -                                 | 188,993               | 720,547                               | -                     | 720,547    | 993,904                     | 1,863,444                   | 64                          | 45    | 44  | 46  |  |  |                                       |
| 13,632                                | 106,694    | 246,450    | 238,871    | 275,450    | 241,492    | 1,122,613   | 9,180                 | 10,326                            | -                                 | 19,506                | 24,304                                | -                     | 24,304     | 213,180                     | 256,900                     | 143                         | 23    | 87  | 70  |  |  |                                       |
| 182,413                               | 14,381,700 | -          | -          | -          | -          | 14,564,113  | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | 18,329                      | -                           | -     | -   | 2   |  |  |                                       |
| 8,765,447                             | 66,311,020 | 61,785,357 | 55,024,062 | 53,842,710 | 53,397,383 | 299,125,979 | 6,718,919             | 1,973,228                         | -                                 | 8,692,147             | 48,905,232                            | 27,300                | 48,932,532 | 60,500,290                  | 118,124,969                 | 99                          | 74    | 98  | 86  |  |  |                                       |
| -                                     | 71,000     | 131,246    | 131,246    | 131,246    | 131,246    | 599,984     | -                     | -                                 | -                                 | 26,672                | -                                     | -                     | 26,672     | 133,396                     | 160,068                     | -                           | 36    | 102 | 78  |  |  |                                       |
| -                                     | -          | 77,967     | 230,148    | 230,511    | 223,237    | 763,863     | -                     | 3,789                             | -                                 | 3,789                 | 404,753                               | -                     | 404,753    | 408,542                     | 856,548                     | -                           | -     | -   | 524 |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | 7,021                                 | -                     | 7,021      | 849,927                     | 856,548                     | -                           | -     | -   | -   |  |  |                                       |
| -                                     | 1,721,400  | 1,630,200  | 1,447,800  | 1,436,400  | 1,618,800  | 7,854,600   | -                     | -                                 | -                                 | 355,623               | -                                     | -                     | 355,623    | 1,015,181                   | 1,170,804                   | 21                          | 62    | 41  | -   |  |  |                                       |
| -                                     | 1,204,007  | 493,263    | 396,590    | 374,632    | 2,426,427  | 5,494,859   | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | 1,162,097                   | 1,162,097                   | 97                          | 97    | 97  | -   |  |  |                                       |
| -                                     | 4,571      | 157,901    | 137,169    | 88,010     | 55,544     | 441         | -                     | -                                 | -                                 | 4,571                 | -                                     | -                     | 4,571      | 145,520                     | 154,991                     | 100                         | 95    | 95  | -   |  |  |                                       |
| -                                     | 91,219     | 511,339    | 507,019    | 413,035    | 396,475    | 1,921,088   | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | 188,064                     | 188,064                     | -                           | 37    | 31  | -   |  |  |                                       |
| -                                     | 369,529    | 341,712    | 267,186    | 256,761    | 1,235,186  | 2,469,274   | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | 221,990                     | 221,990                     | -                           | 60    | 60  | -   |  |  |                                       |
| -                                     | 171,886    | 378,300    | 373,258    | 371,578    | 369,216    | 1,562,238   | -                     | -                                 | -                                 | 100,075               | -                                     | -                     | 100,075    | 409,115                     | 509,194                     | 47                          | 108   | 118 | 86  |  |  |                                       |
| -                                     | 109,250    | 125,619    | 125,619    | 125,619    | 125,619    | 611,726     | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | 71,402                      | 71,402                      | -                           | 57    | 80  | -   |  |  |                                       |
| -                                     | 7,830,274  | 12,469,021 | 10,919,282 | 12,254,262 | 12,220,301 | 55,702,140  | -                     | 1,745                             | -                                 | 1,745                 | 9,214,899                             | -                     | 9,214,899  | 13,492,018                  | 22,708,662                  | 118                         | 108   | 112 | -   |  |  |                                       |
| -                                     | 10,692,606 | 17,097,331 | 14,766,416 | 15,675,347 | 15,771,856 | 73,762,450  | -                     | 5,194                             | -                                 | 5,194                 | 10,113,614                            | -                     | 10,113,614 | 17,699,714                  | 27,811,862                  | 101                         | 104   | 103 | -   |  |  |                                       |
| -                                     | -          | 428,385    | 410,428    | 285,028    | 281,830    | 1,405,671   | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | 71,450     | 73,938     | 73,938     | 73,938     | 293,264     | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | 17,768     | 23,232     | 28,696     | 34,160     | 103,856     | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     | -                     | -          | -                           | -                           | -                           | -     | -   | -   |  |  |                                       |
| -                                     | -          | -          | -          | -          | -          | -           | -                     | -                                 | -                                 | -                     | -                                     |                       |            |                             |                             |                             |       |     |     |  |  |                                       |



Spending Group

[illegible]

This image shows a blank ledger page with a complex grid structure. The page is divided into four main vertical sections by three vertical lines. Each section contains a header row at the top, followed by several rows of data. The header row is the most detailed, with many small columns for recording specific information. The data rows are simpler, with fewer columns. The page is designed for detailed accounting or record-keeping.

2017 Final Verified Annual LDC CDM Program Results Report  
Methodology

General

All results are at the end-user level, i.e. not including losses as a result transmission and distribution lines.

2015 results are based on projects completed between January 1, 2015 and December 31, 2015; 2016 results are based on projects completed between January 1, 2016 and December 31, 2016; and 2017 results are based on projects completed between January 1, 2017 and December 31, 2017.

The 2015 verified results considers projects reported to the ESO between January 1, 2015 and March 31, 2016; the 2016 verified results considers projects reported to the ESO between April 1, 2016 and April 15, 2017; the 2017 verified results considers projects reported to the ESO between April 16, 2017 and April 15, 2018.

Legacy Framework results are based on projects began prior to an LDC's transition to the Conservation First Framework program and completed by December 31, 2015. Conservation First Framework results are based on projects began on or after an LDC's transition to the Conservation First Framework program and projects transferred to the Conservation First Framework through a valid Extension Agreement for eligible Programs.

Savings Calculations

| # | Project Type                                    | Attributing Savings to LDCs                                                                                                                                                                                                                                                                                                                                            |
|---|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Prescriptive Measures and Projects Programs     | <b>Gross Reported Savings</b> = Activity * Per Unit Assumption Savings<br><b>Gross Verified Savings</b> = Gross Reported Savings * Realization Rate<br><b>Net Verified Savings</b> = Gross Verified Savings * Net-to-Gross Ratio<br>All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed) |
| 2 | Engineered and Custom Projects / Programs       | <b>Gross Reported Savings</b> = Reported Savings<br><b>Gross Verified Savings</b> = Gross Reported Savings * Realization Rate<br><b>Net Verified Savings</b> = Gross Verified Savings * Net-to-Gross Ratio<br>All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)                       |
| 3 | Adjustments to Previous Years' Verified Results | All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the annual effect of energy savings.                                                                                              |

Cost Determination

Costs are determined and allocated to the period based on the date the cost has been reported to the ESO regardless of when the cost was incurred.

E.g. if an LDC reports by the December 2017 ESO Reporting Period: 1) program savings; and 2) Participant Incentives, associated with a 2017 completed project, as well as 3) Administrative Expenses; then: a) the savings; b) expenditures; and c) corresponding cost effectiveness, are attributed to the 2017 program year.

However if the same is reported in or after the January 2018 ESO Reporting Period, only the i) the savings and ii) costs for the purposes of Cost Effectiveness Test calculations will be attributed to the 2017 program year; The expenditures for the purposes of spending reporting (in the Monthly Participation & Cost Report and this Verified Annual LDC CDM Program Results Report) will be allocated to the 2018 program year and will not appear.

2015-2020 Conservation First Framework

| #  | Program                                                  | Attributing Savings to LDCs                                                                                                         | Project List Date | Savings 'start' Date                                                                                             | Calculating Resource Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Save on Energy Cogen Program                             | LDC coded coupons directly attributed to LDC. Otherwise results are allocated based on Consumer Program Allocation Reference Table. | April 15, 2018    | Savings are considered to begin in the year in which the cogen was reclaimed.                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2  | Save on Energy Instant Discount Program                  | Results are allocated based on Consumer Program Allocation Reference Table.                                                         | April 15, 2018    | Savings are considered to begin in the year in which the event occurred.                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3  | Save on Energy Heating & Cooling Program                 | Results are directly attributed to LDC based on customer applications and postal code.                                              | April 15, 2018    | Savings are considered to begin in the year that the installation occurred.                                      | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the update in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 4  | Save on Energy New Construction Program                  | Results are directly attributed to LDC based on LDC identified in LDC Report.                                                       | April 15, 2018    | Savings are considered to begin in the year of the project completion date.                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 5  | Save on Energy Home Assistance Program                   | Results are directly attributed to LDC based on LDC identified in the application.                                                  | April 15, 2018    | Savings are considered to begin in the year in which the measures were installed.                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 6  | Save on Energy Audit Funding Program                     | Projects are directly attributed to LDC based on LDC identified in the application.                                                 | April 15, 2018    | Savings are considered to begin in the year of the audit date.                                                   | Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).                                                                                                                                                                                                                                                |
| 7  | Save on Energy Retrofit Program                          | Projects are directly attributed to LDC based on LDC identified in the application.                                                 | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date as reported in the LDC Report. | Peak demand and energy savings are determined by the total savings for a given project as reported in the CDM system (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting projects, engineered/custom/prescriptive track). |
| 8  | Save on Energy Small Business Lighting Program           | Results are directly attributed to LDC based on the LDC specified on the work order.                                                | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                               | Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the update of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).                                                                                                                                                                                                    |
| 9  | Save on Energy High Performance New Construction Program | Results are directly attributed to LDC based on LDC identified in the application.                                                  | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 10 | Save on Energy Existing Building Commissioning Program   | Results are directly attributed to LDC based on LDC identified in the application.                                                  | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                               | Peak demand and energy savings are determined by the total savings for a given project as reported in the CDM LDC Report Template. Preliminary unverified net savings are calculated by multiplying reported savings by 2016 Net-to-Gross ratios and realization rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 11 | Save on Energy Business Refrigeration Incentive Program  | Results are directly attributed to LDC based on LDC identified in the application.                                                  | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 12 | Save on Energy Process and Systems Upgrades Program      | Results are directly attributed to LDC based on LDC identified in application.                                                      | April 15, 2018    | Savings are considered to begin in the year in which the project was in service.                                 | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).                                                                                                                                                                                                                                                   |
| 13 | Save on Energy Energy Manager Program                    | Results are directly attributed to LDC based on LDC identified in the application.                                                  | April 15, 2018    | Savings are considered to begin in the year in which the project was completed by the energy manager.            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 14 | Save on Energy Monitoring and Targeting Program          | Results are directly attributed to LDC based on LDC identified in the application.                                                  | April 15, 2018    | Savings are considered to begin in the year in which the incentive project was completed.                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

2011-2014-2015 Extension Legacy Framework

| #  | Initiative                                                  | Attributing Savings to LDCs                                                                                                                                                                                                                                                                      | Project List Date | Savings 'start' Date                                                                                                                                                                                                   | Calculating Resource Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | useOnEnergy Appliance Retirement Initiative                 | 2015 Results only. Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.                                                                     | April 15, 2018    | Savings are considered to begin in the year the appliance is picked up.                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2  | useOnEnergy Conservation Instant Coupon Booklet             | 2015 Results only. LDC coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.                                                                                                                                         | April 15, 2018    | Savings are considered to begin in the year in which the coupon was reclaimed.                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3  | useOnEnergy Bi-Annual Retailer Event                        | 2015 Results only. Results are allocated based on average of 2008 & 2009 residential throughput.                                                                                                                                                                                                 | April 15, 2018    | Savings are considered to begin in the year in which the event occurs.                                                                                                                                                 | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the update in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 4  | useOnEnergy HVAC Incentives                                 | 2015 Results only. Results directly attributed to LDC based on customer applications and postal code.                                                                                                                                                                                            | April 15, 2018    | Savings are considered to begin in the year that the installation occurred.                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 5  | useOnEnergy Residential New Construction                    | 2015 Results only. Results are directly attributed to LDC based on LDC identified in application in the Con system.                                                                                                                                                                              | April 15, 2018    | Savings are considered to begin in the year of the project completion date.                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 6  | useOnEnergy Energy Audit                                    | 2015 Results only. Projects are directly attributed to LDC based on LDC identified in the application.                                                                                                                                                                                           | April 15, 2018    | Savings are considered to begin in the year of the audit date.                                                                                                                                                         | Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 7  | useOnEnergy Efficiency Equipment Replacement                | 2015 Results only. Results are directly attributed to LDC based on LDC identified at the facility level in the Con system.<br>Projects in the Application Status: "Post-Stage Submission" are included (including "Payment denied by LDC"). Please see page for Building Type to Sector mapping. | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date in the CDM system.                                                                                                                   | Peak demand and energy savings are determined by the total savings for a given project as reported in the CDM system (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).<br>Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2015. |
| 8  | useOnEnergy Direct Installed Lighting                       | 2015 Results only. Results are directly attributed to LDC based on the LDC specified on the work order.                                                                                                                                                                                          | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                                                                                                                                     | Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the update of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 9  | useOnEnergy New Construction and Major Renovation Incentive | 2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.                                                                                                                                                                                            | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 10 | useOnEnergy Existing Building Commissioning Incentive       | 2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.                                                                                                                                                                                            | April 15, 2018    | Savings are considered to begin in the year of the actual project completion date.                                                                                                                                     | Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 11 | useOnEnergy Process & System Upgrades                       | 2015 Results only. Results are directly attributed to LDC based on LDC identified in application.                                                                                                                                                                                                | April 15, 2018    | Savings are considered to begin in the year in which the incentive project was completed.                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 12 | useOnEnergy Energy Manager                                  | 2015 Results only. Results are directly attributed to LDC based on LDC identified in application.                                                                                                                                                                                                | April 15, 2018    | Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings. To ensure that these savings align with EMDV protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 13 | useOnEnergy Monitoring & Targeting                          | 2015 Results only. Results are directly attributed to LDC based on LDC identified in application.                                                                                                                                                                                                | April 15, 2018    | Savings are considered to begin in the year in which the incentive project was completed.                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 14 | useOnEnergy Home Assistance Program                         | 2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.                                                                                                                                                                                            | April 15, 2018    | Savings are considered to begin in the year in which the measures were installed.                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 15 | Assigned Consumption Program                                | 2015 Results only. Results are directly attributed to LDC based on LDC identified in the application.                                                                                                                                                                                            | April 15, 2018    | Savings are considered to begin in the year in which the measures were installed.                                                                                                                                      | Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the update of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 16 | Program Enabled Savings                                     | 2015 Results only.                                                                                                                                                                                                                                                                               | April 15, 2018    |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

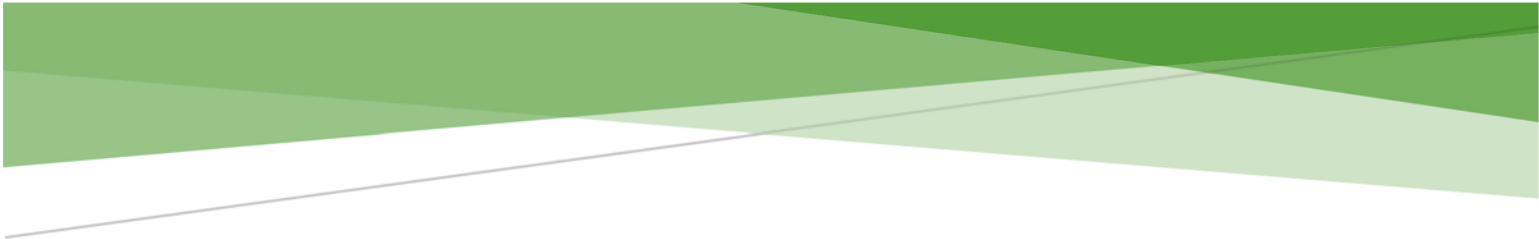
2017 Final Verified Annual LDC CDM Program Results Report  
Consumer Program Allocation Reference Table

| #     | Local Distribution Company                       | Allocation (%) |
|-------|--------------------------------------------------|----------------|
| 1     | Albion Utilities Corporation                     | 19.77          |
| 2     | Algoma Power Inc.                                | 0.18           |
| 3     | Alkanton Hydro Inc.                              | 0.02           |
| 4     | Altonville Power Corporation                     | 0.01           |
| 5     | Alumina Power Distribution Corporation           | 0.62           |
| 6     | Barfield Power Inc.                              | 0.07           |
| 7     | Burlington Hydro Inc.                            | 1.34           |
| 8     | Canadian Niagara Power Inc.                      | 0.25           |
| 9     | Centre Wellington Hydro Ltd.                     | 0.11           |
| 10    | Chapleau Public Utilities Corporation            | 0.03           |
| 11    | COCLUB PowerStream Corp.                         | 0.25           |
| 12    | Cooperative Hydro Enduron Inc.                   | 0.06           |
| 13    | C.L.K. Energy Inc.                               | 0.25           |
| 14    | Emergen Inc.                                     | 1.12           |
| 15    | Georgian PowerGen Inc.                           | 0.70           |
| 16    | Gravelly Hydro Ltd.                              | 1.49           |
| 17    | Great Lakes PowerGen Corporation                 | 0.32           |
| 18    | Expenset Regional Hydro Distribution Corporation | 0.06           |
| 19    | Green PowerGen Corporation                       | 0.41           |
| 20    | Gravelly Hydro Inc.                              | 0.32           |
| 21    | Port Albany Power Corporation                    | 0.01           |
| 22    | Great Lakes Power Corporation                    | 0.03           |
| 23    | Greater Sudbury Hydro Inc.                       | 0.80           |
| 24    | Gravelly Power Incorporated                      | 0.18           |
| 25    | Gravelly Hydro Electric Systems Inc.             | 0.85           |
| 26    | Gravelly Hydro Inc.                              | 0.59           |
| 27    | Gravelly Power Distribution Company Limited      | 0.05           |
| 28    | Hydro 2000 Inc.                                  | 0.04           |
| 29    | Hydro Hamilton Inc.                              | 0.15           |
| 30    | Hydro One Networks Inc.                          | 27.29          |
| 31    | Hydro Ottawa Limited                             | 6.61           |
| 32    | Hydro Power Corporation                          | 0.33           |
| 33    | Hydro Power Corporation                          | 0.03           |
| 34    | Kanata Hydro Electric Corporation Ltd.           | 0.09           |
| 35    | Kingston Hydro Corporation                       | 0.29           |
| 36    | Kitchener-Waterloo Hydro Inc.                    | 1.51           |
| 37    | Lakeland Utilities Inc.                          | 0.11           |
| 38    | Lakeland Power Distribution Ltd.                 | 0.23           |
| 39    | Lambton Hydro Inc.                               | 2.61           |
| 40    | Midland Power Utility Corporation                | 0.10           |
| 41    | Midland Hydro Distribution Inc.                  | 0.66           |
| 42    | Midland Hydro Power Distribution Ltd.            | 0.60           |
| 43    | Nagara Pentacore Energy Inc.                     | 0.82           |
| 44    | Nagara-on-the-Lake Hydro Inc.                    | 0.13           |
| 45    | North Bay Hydro Distribution Limited             | 0.42           |
| 46    | Northern Ontario Mines Inc.                      | 0.09           |
| 47    | Ontario Hydro Electricity Distribution Inc.      | 1.51           |
| 48    | Orangeville Hydro Limited                        | 0.20           |
| 49    | Orillia Power Distribution Corporation           | 0.22           |
| 50    | Orillia PUC Networks Inc.                        | 1.48           |
| 51    | Orillia River Power Corporation                  | 0.12           |
| 52    | Orillia Power Distribution Incorporated          | 0.46           |
| 53    | PUC Distribution Inc.                            | 0.05           |
| 54    | Port Hope Hydro Inc.                             | 0.05           |
| 55    | William D. Lawrence Distribution Inc.            | 0.07           |
| 56    | Stouffville Hydro Inc.                           | 0.08           |
| 57    | St. Thomas Energy Inc.                           | 0.28           |
| 58    | Thunder Bay Hydro Electricity Distribution Inc.  | 0.83           |
| 59    | Tillamook Hydro Inc.                             | 0.12           |
| 60    | Toronto Hydro Electric System Limited            | 15.57          |
| 61    | Toronto Connections Inc.                         | 2.20           |
| 62    | Waukena Distribution Inc.                        | 0.18           |
| 63    | Waterloo North Hydro Inc.                        | 0.06           |
| 64    | Welland Hydro Electric System Corp.              | 0.31           |
| 65    | Wellington North Power Inc.                      | 0.06           |
| 66    | West Coast Power Energy Inc.                     | 0.50           |
| 67    | Whitby Power Inc.                                | 0.27           |
| 68    | Whitby Hydro Electric Corporation                | 1.12           |
| Total |                                                  | 100.00         |

## 2017 Final Verified Annual LDC CDM Program Results Report

### Glossary

| #                               | Term                                               | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reporting Terms</b>          |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1                               | Forecast                                           | An LDC's forecast of program activity, savings, net-to-gross adjustments, expenditures, and cost effectiveness as indicated in each LDC's submitted CDM Plan Cost Effectiveness Tools. Forecasts at the province wide level are the sum of all LDC's forecasts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2                               | Reported                                           | Program activity savings and expenditures as determined by the LDC. For savings: 1) for prescriptive projects/programs: calculated quantity x prescriptive savings assumptions; and 2) for engineered or custom program projects/programs: calculated using prescriptive methodologies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3                               | Verified                                           | The ISO's annually EM&V assessed program activity, savings, net-to-gross, expenditures and cost effectiveness. Preliminary Verified results are provided by June 1st of each year and Final Verified results are provided by July 1st of each year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 4                               | Adjustment                                         | Verified results that were achieved in previous years but were not provided in a previous year's Annual Verified Results Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5                               | Progress or Comparison                             | An assessment of Actual results versus Verified results.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Framework Terms</b>          |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 6                               | 2011-2014+2015 Extension Legacy Framework          | Programs in market from 2011-2015 resulting from the April 23, 2010 GEA CDM Ministerial Directive and funded separately from 2015-2020 Conservation First Framework Programs but whose savings in 2015 are attributed towards the 2015-2020 Conservation First Framework target.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 7                               | 2015-2020 Conservation First Framework             | Programs in market from 2015-2020 resulting from the March 31, 2014 CFT Ministerial Directive and funded separately from 2011-2014+2015 Extension Legacy Framework Programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 8                               | LDC Innovation Fund                                | A source of funding under the 2015-2020 Conservation First Framework separate from LDC CDM Plan budgets that the ISO maintains to support LDC led program design and market testing of new initiatives. Savings from LDC Innovation Fund pilot programs contribute to the LDC savings targets based on the LDC service territory the pilot program is delivered in.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 9                               | Conservation Fund                                  | A source of funding external to the 2015-2020 Conservation First Framework that provides financial support for innovative electricity conservation technologies, practices, research, and pilot programs. Savings from Conservation Fund pilot programs contribute to the LDC savings targets based on the LDC service territory the pilot program is delivered in.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Programs Terms</b>           |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 10                              | Program                                            | A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (e.g. Closures or Retrofits) from the 2015-2020 Conservation First Framework.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11                              | Province-Wide Program                              | Programs available to all LDCs to deliver and that are consistent across the province.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 12                              | Regional Program                                   | Programs designed by LDCs to serve their region and approved by the ISO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 13                              | Local Program                                      | Programs designed by LDCs to serve their communities and approved by the ISO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 14                              | Pilot Program                                      | A program pilot that may achieve energy or demand savings and is funded separately from an LDC's CDM Plan Budget.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 15                              | Initiative                                         | A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (e.g. Fridge & Freezer Pickup) from the 2011-2014+2015 Extension Legacy Framework.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Activity Terms</b>           |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 16                              | Participation                                      | A measure of the level of program participation, such as number of projects, homes, equipment, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 17                              | Unit of Measure                                    | For a specific initiative the relevant type of participation acquired in the market place (e.g. appliances picked up, coupon products installed, HVAC equipment installed, audits performed, or projects completed).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Savings Terms</b>            |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 18                              | Energy Savings                                     | Energy savings attributable to conservation and demand management activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 19                              | Peak Demand Savings                                | Peak Demand savings attributable to conservation and demand management activities, as determined by the ISO's EM&V Protocols.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 20                              | Incremental Savings                                | The energy or peak demand savings newly attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'. Savings attributed to activity performed or completed in 2016 are presented as 2016 savings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 21                              | First Year Savings                                 | The energy or peak demand savings that occur in the year it was achieved (includes resource savings from only new program activity).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 22                              | Annual Savings                                     | The energy or peak demand savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 23                              | Gross Savings                                      | The energy or peak demand savings that have been reported based on a conservation and demand management program's participation tracking.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 24                              | Net Savings                                        | The energy or peak demand savings attributable to conservation and demand management activities, net of free-riders, spillover, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 25                              | Realization Rate                                   | A comparison of originally reported savings and observed or measured savings that adjusts reported savings to arrive at verified savings. Accounts for discrepancies such as audited measure counts, adjustment for connected demand savings to peak demand savings, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 26                              | Net-to-Gross Adjustment                            | The ratio of net savings to gross savings, which takes into account factors such as free-ridership, spillover, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 27                              | Free-ridership                                     | The percentage of participants who would have implemented the program measure or practice in the absence of the program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 28                              | Spillover                                          | Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 29                              | Allocated Target                                   | Each LDC's assigned portion of the Province's 7 TWh Net 2020 Annual Energy Savings Target of the 2015-2020 Conservation First Framework.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Costs Terms</b>              |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 30                              | Participant Incentive                              | Costs incurred in the delivery of a program related to incentivizing participants to perform peak demand or energy savings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 31                              | LDC Administrative Expense                         | Costs reported by the LDC in the delivery of a program related to labour, marketing, third-party expenses, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 32                              | ISO Value Added Services Cost                      | Costs incurred by the ISO's Value Added Service Provider related to associated programs (Coupons and Heating & Cooling), and charged to the LDC in which the program's activity took place.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 33                              | Total Administrative Expense                       | The sum of LDC Administrative Expense and ISO Value Added Services Cost.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 34                              | Delivery Cost                                      | The sum of Total Administrative Expenses and Participant Incentives.<br><br>All costs are presented based on the period reported by LDCs to the ISO, not necessarily associated with reported activity.<br><br>E.g. If an LDC reports by the December 2016 ISO Reporting Period: 1) program savings; 2) Participant Incentives; and 3) Administrative Expenses associated with a 2015 completed project, then: a) the savings; b) expenditures; and c) corresponding cost effectiveness; are attributed to the 2016 program year.<br><br>However if the same is reported in or after the January 2017 ISO Reporting Period: 1) the savings will be attributed to the 2016 program year; 2) the expenditures will be attributed to the 2017 program year and will not appear in the 2016 Verified Results Report; but 3) the project's Participant Incentives will be used to calculate 2016 Cost Effectiveness; |
| 35                              | Allocated Budget                                   | Each LDC's assigned portion of the Province's \$ 1.835 billion CDM Plan Budget of the 2015-2020 Conservation First Framework.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Cost Effectiveness Terms</b> |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 36                              | Total Resource Cost Cost Effectiveness Test        | A cost effectiveness test that measures the net cost of CDM based on the total costs of the program including both participants' and utility's costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 37                              | Program Administrator Cost Cost Effectiveness Test | A cost effectiveness test that measures the net cost of CDM based on costs incurred by the program administrator, including incentive costs and excluding net costs incurred by the participant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 38                              | Levelized Unit Energy Cost Cost Effectiveness Test | A cost effectiveness test that normalizes the costs incurred by the program administrator per unit of energy or demand reduced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



# Appendix 4H

Algoma Power Inc.

2020 Cost of Service

EB-2019-0019



# Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) Work Form

Version 3.0 (2019)

## Generic LRAMVA Work Forms

| Worksheet Name                              | Description                                                                                                                                                                                                        |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">1. LRAMVA Summary</a>           | <b>Tables 1-a and 1-b</b> provide a summary of the LRAMVA balances and carrying charges associated with the LRAMVA disposition. The balances are populated from entries into other tabs throughout this work form. |
| <a href="#">1-a. Summary of Changes</a>     | <b>Tables A-1 and A-2</b> include a template for LDCs to summarize changes to the LRAMVA work form.                                                                                                                |
| <a href="#">2. LRAMVA Threshold</a>         | <b>Tables 2-a, 2-b and 2-c</b> include the LRAMVA thresholds and allocations by rate class.                                                                                                                        |
| <a href="#">3. Distribution Rates</a>       | <b>Tables 3-a and 3-b</b> include the distribution rates that are used to calculate lost revenues.                                                                                                                 |
| <a href="#">3-a. Rate Class Allocations</a> | A blank spreadsheet is provided to allow LDCs to populate distributor specific rate class percentages to allocate actual CDM savings to different customer classes.                                                |
| <a href="#">4. 2011-2014 LRAM</a>           | <b>Tables 4-a, 4-b, 4-c and 4-d</b> include the template 2011-2014 LRAMVA work forms.                                                                                                                              |
| <a href="#">5. 2015-2020 LRAM</a>           | <b>Tables 5-a, 5-b, 5-c and 5-d</b> include the template 2015-2020 LRAMVA work forms.                                                                                                                              |
| <a href="#">6. Carrying Charges</a>         | <b>Table 6-b</b> includes the variance on carrying charges related to the LRAMVA disposition.                                                                                                                      |
| <a href="#">7. Persistence Report</a>       | A blank spreadsheet is provided to allow LDCs to populate with CDM savings persistence data provided by the IESO.                                                                                                  |
| <a href="#">8. Streetlighting</a>           | A blank spreadsheet is provided to allow LDCs to populate data on streetlighting projects whose savings were not provided by the IESO in the CDM Final Results Report (i.e., streetlighting projects).             |

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*





## LRAMVA Work Form: Instructions

Version 3.0 (2019)

| Tab                                    | Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>LRAMVA Checklist/Schematic Tab</b>  | <p>The LRAMVA work form was created in a generic manner for use by all LDCs. There are some elements that are not applicable at this time (i.e., 2017, 2018, 2019 and 2020 related components) but have been included in an effort to avoid major updates in the future. Distributors should follow the checklist, which is referenced in this tab of the work form and listed below.</p> <ul style="list-style-type: none"><li>o Highlight changes to this work form made by the LDC, if any, and provide rationale for the change in Tab 1-a.</li><li>o Include any necessary assumptions the LDC has to make in its LRAMVA work form in the "Notes" section of the work form.</li><li>o Provide documentation on the LRAMVA threshold by providing the reference and source material from the LDC's cost of service proceeding where its most recent load forecast was approved.</li><li>o Include a copy of initiative-level persistence savings information that was verified by the IESO. Persistence information is available upon request from the IESO.</li><li>o Apply the IESO verified savings adjustments to the year it relates to. For example, savings adjustments to 2015 programs will be provided to LDCs with the 2016 Final Results Report. The 2015 savings adjustments should be included in the 2015 verified savings portion of the work form.</li><li>o Provide documentation or data substantiating savings from projects that were not provided in the IESO's verified results reports, inserted in Tab 8 (i.e., streetlighting projects), as applicable.</li><li>o Provide documentation or analysis on how rate class allocations were determined by customer class and program each year, inserted in Tab 3-a.</li></ul> |
| <b>Tab 1. LRAMVA Summary</b>           | Distributors are required to report any past approved LRAMVA amounts along with the current LRAMVA amount requested for approval. There are separate tables indicating new lost revenues and carrying charges amounts by year and the totals for rate rider calculations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Tab 1-a. Summary of Changes</b>     | Distributors should list all significant changes and changes in assumptions in the generic work form affecting the LRAMVA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Tab 2. LRAMVA Threshold</b>         | Distributors should use the tables to display the LRAMVA threshold amounts as approved at a rate class level. This should be taken from the LDC's most recently approved cost of service application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Tab 3. Distribution Rates</b>       | Distributors should complete the tables with rate class specific distribution rates and adjustments as applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Tab 3-a. Rate Class Allocations</b> | A tab is provided to allow LDCs to include documentation or analysis on how rate class allocations for actual CDM savings were determined by customer class and program each year. The rate class allocations would support the LRAMVA rate class allocation figures used in Tabs 4 and 5.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Tabs 4 and 5 (2011-2020)</b>        | <p>Distributors should complete the lost revenue calculation for 2011-2014 program years and 2015-2020 program years, as applicable, by undertaking the following:</p> <ul style="list-style-type: none"><li>o Input or manually link the savings, adjustments and program savings persistence data from Tab 7 (Persistence Report) to Tabs 4 and 5. As noted earlier, persistence data is available upon request from the IESO.</li><li>o Ensure that the IESO verified savings adjustments apply to the program year it relates to. For example, savings adjustments related to 2012 programs that were reported by the IESO in 2013 should be included in the 2012 program savings table.</li><li>o Confirm the monthly multipliers applied to demand savings. If a different monthly multiplier is used than what was confirmed in the LRAMVA Report, provide rationale in Tab 1-a and highlight the new monthly multiplier that has been used.</li><li>o Input the rate class allocations by program and year to allocate actual savings to customers. If a different allocation is proposed for adjustments, LDCs must provide the supporting rationale in Tab 1-a and highlight the change.</li><li>o Provide assumptions about the year(s) in which persistence is captured in the load forecast via the "Notes" section of each table and adjust what is included in the LRAMVA totals, as appropriate.</li></ul>                                                                                                                                                                                                                                                                                                                              |
| <b>Tab 6. Carrying Charges</b>         | Distributors are requested to calculate carrying charges based on the methodology provided in the work form. This includes updating Table 6 as new prescribed interest rates for deferral and variance accounts become available and entering any collected interest amounts into the "Amounts Cleared" row to calculate outstanding variances on carrying charges.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Tab 7. Persistence Report</b>       | Persistence savings report(s) provided by the IESO should be included for the relevant years in the LRAMVA work form. Tab 7 has been created consistently with the IESO's persistence report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Tab 8. Streetlighting</b>           | A tab is provided to ensure LDCs include documentation or data to support projects whose program savings were not provided by the IESO (i.e., streetlighting projects).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



# LRAMVA Work Form: Checklist and Schematic

Version 3.0 (2019)

General Note on the LRAMVA Model

The LRAMVA work form has been created in a generic manner that should allow for use by all LDCs. There are some elements that are not applicable at this time (i.e., 2018, 2019 and 2020 related components). These have been included (but hidden in the work form) in an effort to avoid major updates in the future. This LRAMVA work form consolidates information that LDCs are already required to file with the OEB. The model has been created to provide LDCs with a consistent format to display CDM impacts, the forecast savings component and, ultimately, any variance between actual CDM savings and forecast CDM savings. The majority of the information required in the LRAMVA work form will be provided to LDCs from the IESO as part of the Final CDM Results each year. Please contact the IESO for any reports that may be required to complete this LRAMVA work form.

The LRAMVA work form is unlocked to enable LDCs to tailor it to their own unique circumstances.

LRAMVA (\$) = (Actual Net CDM Savings - Forecast CDM Savings) x Distribution Volumetric Rate + Carrying Charges from LRAMVA balance

Legend

Drop Down List (Blue)

Important Checklist

|                |                                                                                                                                                                                                      |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes            | o Highlight changes to this work form made by the LDC, if any, and provide rationale for the change in Tab 1-a                                                                                       |
| Yes            | o Include any necessary assumptions the LDC has to make in its LRAMVA work form in the "Notes" section of the work form                                                                              |
| Yes            | o Provide documentation on the LRAMVA threshold by providing the reference and source material from the LDC's cost of service proceeding where its most recent load forecast was approved            |
| Not Applicable | o Include a copy of initiative-level persistence savings information that was verified by the IESO in Tab 7. Persistence information is available upon request from the IESO                         |
| Yes            | o Apply the IESO verified savings adjustments to the year it relates to.                                                                                                                             |
| Not Applicable | o Provide documentation or data substantiating savings from projects that were not provided in the IESO's verified results reports, inserted in Tab 8 (i.e., streetlighting projects), as applicable |
| Yes            | o Provide documentation or analysis on how rate class allocations were determined by customer class and program each year, inserted in Tab 3-a                                                       |

| Work Form Calculations                              | Source of Calculation                              | Inputs (Tables to Complete)                                | Source of Data Inputs                                                          | Outputs of Data (Auto-Populated)              |
|-----------------------------------------------------|----------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------|
| Actual Incremental CDM Savings by Initiative        | Tabs "4. 2011-2014 LRAM" and "5. 2015-2020 LRAM"   | Tables 4-a to 4-d / 5-a to 5-f (Columns D & O)             | IESO Verified Persistence Results Reports included in Tab 7 (Columns L to BT). | Tables 4-a to 4-d / 5-a to 5-f (Columns Y-AL) |
| +/- IESO Verified Savings Adjustments               | Tab "4. 2011-2014 LRAM"                            | Tables 4-a to 4-d / 5-a to 5-f (Columns D-M & Columns O-X) | IESO Verified Persistence Results Reports included in Tab 7 (Columns L to BT). | Tables 4-a to 4-d / 5-a to 5-f (Columns Y-AL) |
| + Initiative Level Savings Persistence              | Tab "4. 2011-2014 LRAM"                            | Tables 4-a to 4-d / 5-a to 5-f (Columns E-M & Columns P-X) | IESO Verified Persistence Results Reports included in Tab 7 (Columns L to BT). | Tables 4-a to 4-d / 5-a to 5-f (Columns Y-AL) |
| x Allocation % to Rate Class                        | Tabs "4. 2011-2014 LRAM" and "5. 2015-2020 LRAM"   | Tables 4-a to 4-d / 5-a to 5-f (Columns Y-AJ)              | Determined by the LDC                                                          |                                               |
| Actual Lost Revenues (kWh and kW) by Rate Class     | Tabs "4. 2011-2014 LRAM" and "5. 2015-2020 LRAM"   |                                                            |                                                                                |                                               |
| - Forecast Lost Revenues (kWh and kW) by Rate Class | Tabs "4. 2011-2014 LRAM" and "5. 2015-2020 LRAM"   | Tab "2. LRAMVA Threshold" Tables 2-a, 2-b and 2-c          |                                                                                |                                               |
| x Distribution Rate by Rate Class                   | Tab "3. Distribution Rates"                        | Table 3                                                    | LDC's Approved Tariff Sheets                                                   |                                               |
| LRAMVA (\$) by Rate Class                           | Tabs "4. 2011-2014 LRAM" and "5. 2015-2020 LRAM"   |                                                            |                                                                                | Tables 1-a and 1-b                            |
| + Carrying Charges (\$) by Rate Class               | Tabs "1. LRAMVA Summary" and "6. Carrying Charges" | Table 6                                                    |                                                                                | Table 6-a                                     |
| Total LRAMVA (\$) by Rate Class                     | Tab "1. LRAMVA Summary"                            |                                                            |                                                                                |                                               |

|        |                              |
|--------|------------------------------|
| Legend | User Inputs (Green)          |
|        | Auto Populated Cells (White) |
|        | Instructions (Grey)          |

LDC Name

Algoma Power Inc.

Application Details

Please fill in the requested information: a) the amounts approved in the previous LRAMVA application, b) details on the current application, and c) documentation of changes if applicable.

A. Previous LRAMVA Application

|                                                  |                      |
|--------------------------------------------------|----------------------|
| Previous LRAMVA Application (EB#)                | EB-2014-0055         |
| Application of Previous LRAMVA Claim             | 2015 COS Application |
| Period of LRAMVA Claimed in Previous Application | 2011-2012            |
| Amount of LRAMVA Claimed in Previous Application | \$18,864.00          |

B. Current LRAMVA Application

|                                          |                      |
|------------------------------------------|----------------------|
| Current LRAMVA Application (EB#)         | EB-2019-0019         |
| Application of Current LRAMVA Claim      | 2020 COS Application |
| Period of New LRAMVA in this Application | 2015-2017            |
| Period of Rate Recovery (# years)        | 4                    |

C. Documentation of Changes

|                              |              |
|------------------------------|--------------|
| Original Amount              | \$510,390.00 |
| Amount for Final Disposition |              |

|                              |       |           |
|------------------------------|-------|-----------|
| Actual Lost Revenues (\$)    | A     | \$534,452 |
| Forecast Lost Revenues (\$)  | B     | \$60,591  |
| Carrying Charges (\$)        | C     | \$36,529  |
| LRAMVA (\$) for Account 1568 | A-B+C | \$510,390 |

Table 1-a. LRAMVA Totals by Rate Class

Please input the customer rate classes applicable to the LDC and associated billing units (kWh or kW) in Table 1-a below. This will update all tables throughout the workform.

The LRAMVA total by rate class in Table 1-a should be used to inform the determination of rate riders in the Deferral and Variance Account Work Form or IRM Rate Generator Model. Please also ensure that the principal amounts in column E of Table 1-a capture the appropriate years and amounts for the LRAMVA claim. Column F of Table 1-a should include projected carrying charges amounts as determined on a rate class basis from Table 1-b below.

NOTE: If the LDC has more than 14 customer classes in which CDM savings was allocated, LDCs must contact OEB staff to make adjustments to the workform.

| Customer Class      | Billing Unit | Principal (\$) | Carrying Charges (\$) | Total LRAMVA (\$) |
|---------------------|--------------|----------------|-----------------------|-------------------|
| R1 (kWh)            | kWh          | \$317,805      | \$23,519              | \$341,324         |
| Seasonal (kWh)      | kWh          | \$51,399       | \$3,934               | \$55,333          |
| R2 (kW)             | kW           | \$2,081        | \$263                 | \$2,344           |
| Street Lights (kWh) | kWh          | \$102,576      | \$8,813               | \$111,389         |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
|                     |              | \$0            | \$0                   | \$0               |
| Total               |              | \$473,861      | \$36,529              | \$510,390         |

Table 1-b. Annual LRAMVA Breakdown by Year and Rate Class

In column C of Table 1-b below, please insert a 'check mark' to indicate the years in which LRAMVA has been claimed. If you inserted a check-mark for a particular year, please delete the amounts associated with the actual and forecast lost revenues for all rate classes for that year, up to and including the total. Any LRAMVA from a prior year that has already been claimed cannot be included in the current LRAMVA disposition, with the exception of the case noted below.

If LDCs are seeking to claim true-up amounts that were previously approved by the OEB, please note that the "Amount Cleared" rows are applicable to the LDC and should be filled out. This may relate to claiming the difference in LRAM approved before the May 19, 2016 Peak Demand Consultation, and the lost revenues that would have been incurred after that consultation, as approved by the OEB. If this is the case, reference to the decision must be noted in the rate application. If this is not the case, LDCs are requested to leave those rows blank.

LDCs are expected to include projected carrying charges amounts in row 84 of Table 1-b below. LDCs should also check accuracy of the years included in the LRAMVA balance in row 85.

| Description          | LRAMVA Previously Claimed | R1 (kWh)      | Seasonal (kWh) | R2 (kW)      | Street Lights (kWh) |        |        |        |        |        |        |        |        |        |        | Total         |
|----------------------|---------------------------|---------------|----------------|--------------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
|                      |                           | kWh           | kWh            | kw           | kWh                 | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |               |
| 2011 Actuals         |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| 2011 Forecast        |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| 2012 Actuals         |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| 2012 Forecast        |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| 2013 Actuals         |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| 2013 Forecast        |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| 2014 Actuals         |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| 2014 Forecast        |                           | \$0.00        | \$0.00         | \$0.00       | \$0.00              | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00        |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| 2015 Actuals         |                           | \$74,041.87   | \$10,092.14    | \$2,839.69   | \$12,813.04         | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$99,786.74   |
| 2015 Forecast        |                           | (\$13,169.36) | (\$4,295.82)   | (\$2,356.05) | (\$540.25)          | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$20,361.48) |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| 2016 Actuals         |                           | \$113,481.56  | \$19,497.69    | \$2,921.02   | \$41,176.58         | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$177,076.85  |
| 2016 Forecast        |                           | (\$13,169.36) | (\$4,410.25)   | (\$2,353.03) | (\$545.44)          | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$20,478.09) |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| 2017 Actuals         |                           | \$169,106.74  | \$34,726.42    | \$3,422.12   | \$50,332.71         | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$257,587.99  |
| 2017 Forecast        |                           | (\$12,486.81) | (\$4,210.72)   | (\$2,392.67) | (\$660.89)          | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | (\$19,751.08) |
| Amount Cleared       |                           |               |                |              |                     |        |        |        |        |        |        |        |        |        |        |               |
| Carrying Charges     |                           | \$23,519.45   | \$3,933.55     | \$262.53     | \$8,813.23          | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$36,528.76   |
| Total LRAMVA Balance |                           | \$341,324     | \$55,333       | \$2,344      | \$111,389           | \$0    | \$0    | \$0    | \$0    | \$0    | \$0    | \$0    | \$0    | \$0    | \$0    | \$510,390     |

Note: LDC to make note of assumptions included above, if any

\$473,860.92



# LRAMVA Work Form: Summary of Changes

Legend

|                       |
|-----------------------|
| User Inputs (Green)   |
| Drop Down List (Blue) |
| Instructions (Grey)   |

Table A-1. Changes to Generic Assumptions in LRAMVA Work Form

Please document any changes in assumptions made to the generic inputs of the LRAMVA work form. This may include, but are not limited to, the use of different monthly multipliers to claim demand savings from energy efficiency programs; use of different rate allocations between current year savings and prior year savings adjustments; inclusion of additional adjustments affecting distribution rates; etc. All changes should be highlighted in the work form as well.

| No.  | Tab               | Cell Reference | Description                                                         | Rationale                                                                        |
|------|-------------------|----------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 1    | 5. 2015-2020 LRAM | Row 378        | Corrected formulas to sum 2016 results only                         | Original 2016 formulas included 2015 results and totals                          |
| 2    | 5. 2015-2020 LRAM | AB195          | Adjustment to reduce IESO-verified Street Lighting savings for 2015 | IESO savings significantly exceed actual reduction in load - see 4.12.2 of Exh 4 |
| 3    | 5. 2015-2020 LRAM | AB208:AB212    | Adjustment to reduce IESO-verified persisting SL savings            | IESO savings significantly exceed actual reduction in load - see 4.12.2 of Exh 4 |
| 4    | 5. 2015-2020 LRAM | AB561          | Adjustment to reduce IESO-verified Street Lighting savings for 2017 | IESO savings significantly exceed actual reduction in load - see 4.12.2 of Exh 4 |
| 5    | 5. 2015-2020 LRAM | Columns O to X | Demand savings based on API actual kW/kWh ratio                     | IESO ratios significantly different from API actual ratios - see 4.12.2 of Exh 4 |
| 6    |                   |                |                                                                     |                                                                                  |
| 7    |                   |                |                                                                     |                                                                                  |
| 8    |                   |                |                                                                     |                                                                                  |
| 9    |                   |                |                                                                     |                                                                                  |
| 10   |                   |                |                                                                     |                                                                                  |
| etc. |                   |                |                                                                     |                                                                                  |

Table A-2. Updates to LRAMVA Disposition

Please document any changes related to interrogatories or questions during the application process that affect the LRAMVA amount.

| No.  | Tab | Cell Reference | Description | Rationale |
|------|-----|----------------|-------------|-----------|
| 1    |     |                |             |           |
| 2    |     |                |             |           |
| 3    |     |                |             |           |
| 4    |     |                |             |           |
| 5    |     |                |             |           |
| 6    |     |                |             |           |
| 7    |     |                |             |           |
| 8    |     |                |             |           |
| 9    |     |                |             |           |
| 10   |     |                |             |           |
| etc. |     |                |             |           |



LRAMVA Work Form:  
Forecast Lost Revenues

Version 3.0 (2019)

Legend

|                              |
|------------------------------|
| User Inputs (Green)          |
| Drop Down List (Blue)        |
| Auto Populated Cells (White) |
| Instructions (Grey)          |

Table 2-a. LRAMVA Threshold

2015

Please provide the LRAMVA threshold approved in the cost of service (COS) application, which is used as the comparator against actual savings in the period of the LRAMVA claim. The LRAMVA threshold should generally be consistent with the annualized savings targets developed from Appendix 2-1. If a manual update is required to reflect a different allocation of forecast savings that was approved by the OEB, please note the changes and provide rationale for the change in Tab 1-a.

|         | Total   | R1 (kWh) | Seasonal (kWh) | R2 (kW) | Street Lights (kWh) |     |     |     |     |     |     |     |     |     |     |
|---------|---------|----------|----------------|---------|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|         |         | kWh      | kWh            | kW      | kWh                 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| kWh     | 750,001 | 401,505  | 29,343         | 316,099 | 3,054               |     |     |     |     |     |     |     |     |     |     |
| kW      | 764     |          |                | 755     | 9                   |     |     |     |     |     |     |     |     |     |     |
| Summary |         | 401505   | 29343          | 755     | 3054                | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |

Years Included in Threshold

Source of Threshold Application page 754/1796

Table 2-b. LRAMVA Threshold

Please provide the LRAMVA threshold approved in the last COS application, which is used as the comparator against actual savings in the period of the LRAMVA claim. The LRAMVA threshold should generally be consistent with the annualized savings targets developed from Appendix 2-1. If a manual update is required to reflect a different allocation of forecast savings that was approved by the OEB, please note the changes and provide rationale for the change in Tab 1-a.

|         | Total | R1 (kWh) | Seasonal (kWh) | R2 (kW) | Street Lights (kWh) |     |     |     |     |     |     |     |     |     |     |
|---------|-------|----------|----------------|---------|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|         |       | kWh      | kWh            | kW      | kWh                 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| kWh     | 0     |          |                |         |                     |     |     |     |     |     |     |     |     |     |     |
| kW      | 0     |          |                |         |                     |     |     |     |     |     |     |     |     |     |     |
| Summary |       | 0        | 0              | 0       | 0                   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |

Years Included in Threshold

Source of Threshold 20XX Settlement Agreement, p. X

Table 2-c. Inputs for LRAMVA Thresholds

Please complete Table 2-c below by selecting the appropriate LRAMVA threshold year in column C. The LRAMVA threshold values in Table 2-c will auto-populate from Tables 2-a and 2-b depending on the year selected. If there was no LRAMVA threshold established for a particular year, please select the "blank" option. The LRAMVA threshold values in Table 2-c will be auto-populated in Tabs 4 and 5 of this work form.

| Year | LRAMVA Threshold | R1 (kWh) | Seasonal (kWh) | R2 (kW) | Street Lights (kWh) |     |     |     |     |     |     |     |     |     |     |
|------|------------------|----------|----------------|---------|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|      |                  | kWh      | kWh            | kW      | kWh                 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2011 | 0                | 0        | 0              | 0       | 0                   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2012 | 0                | 0        | 0              | 0       | 0                   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2013 | 0                | 0        | 0              | 0       | 0                   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2014 | 0                | 0        | 0              | 0       | 0                   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2015 | 2015             | 401,505  | 29,343         | 755     | 3,054               | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2016 | 2015             | 401,505  | 29,343         | 755     | 3,054               | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2017 | 2015             | 401,505  | 29,343         | 755     | 3,054               | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |

Note: LDC to make note of assumptions included above, if any

Adjustment To Load Forecast  
Algoma Power Inc.

|                      |                                                |                                                                 |                                              |                                       |
|----------------------|------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|---------------------------------------|
| Retail kWh           | Weather Normalized<br>2015P<br>(Elenchus)<br>A | CDM Load Forecast<br>Adjustment<br>C = A / B<br>E = D * C       | 2015 CDM Adjusted Load Forecast<br>F = A - E |                                       |
| R1 (kWh)             | 106,126,288                                    | 54%                                                             | 334,587                                      | 401,505 [750k * 54%]                  |
| Seasonal (kWh)       | 7,755,866                                      | 4%                                                              | 24,452                                       | 29,343                                |
| R2 (kW)              | 83,551,603                                     | 42%                                                             | 263,415                                      | 316,099                               |
| Street Lights (kW)   | 807,250                                        | 0%                                                              | 2,545                                        | 3,054                                 |
| Total Customer (kWh) | 198,241,007                                    | 100%                                                            | 625,000                                      | 750000                                |
|                      | B                                              |                                                                 | D                                            |                                       |
| kW                   | Weather Normalized<br>2015P<br>(Elenchus)<br>G | CDM Load Forecast<br>Adjustment *<br>I = G / H<br>J = G / A * E | 2015 CDM Adjusted Load Forecast<br>K = G - J |                                       |
| R1 (kWh)             | -                                              | 0%                                                              | -                                            | [199,530/83,551,603]                  |
| Seasonal (kWh)       | -                                              | 0%                                                              | -                                            | [2388/807,250]                        |
| R2 (kW)              | 199,530                                        | 99%                                                             | 629                                          | 0.002388 [754.8768 [316,099*0.002388] |
| Street Lights (kW)   | 2,388                                          | 1%                                                              | 8                                            | 0.002958 [9.034458 [3054*0.002958]    |
| Total Customer (kW)  | 201,918                                        | 100%                                                            | 637                                          | -0.3%                                 |
|                      | H                                              |                                                                 |                                              |                                       |

\* Note that CDM LF kW is the proportional LF kW over LF kWh times kWh CDM LF adjustment.

LRAMVA Work Form:  
Distribution Rates

Version 3.0 (2019)

Table 3. Inputs for Distribution Rates and Adjustments by Rate Class

Please complete Table 3 with the rate class specific distribution rates that pertain to the years of the LRAMVA disposition. Any adjustments that affect distribution rates can be incorporated in the calculation by expanding the "plus" button at the left hand bar. Table 3 will convert the distribution rates to a calendar year rate (January to December) based on the number of months entered in row 16 of each rate year starting from January to the start of the LDC's rate year. Please enter 0 in row 16, if the rate year begins on January 1. If there are additional adjustments (i.e., rows) added to Table 3, please adjust the formulas in Table 3-a accordingly.

|                                 | Billing Unit | EB-2009-0278 | EB-2010-0400 | EB-2011-0152 | EB-2012-0104 | EB-2013-0110 | EB-2014-0055 | EB-2015-0051 | EB-2016-0055 | EB-2017-0025 | EB-2018-0017 | EB-2019-XXXX | EB-2020-XXXX |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Rate Year                       |              | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
| Period 1 (# months)             |              | 1            | 12           | 4            | 2            | 1            | 12           | 12           | 12           | 12           | 12           |              |              |
| Period 2 (# months)             |              | 12           | 11           | 0            | 8            | 10           | 11           | 0            | 0            | 0            | 0            | 12           | 12           |
| R1 (kWh)                        | kWh          | \$ 0.0294    | \$ 0.0294    | \$ 0.0302    | \$ 0.0313    | \$ 0.0325    | \$ 0.0328    | \$ 0.0311    | \$ 0.0298    | \$ 0.0283    | \$ 0.0172    |              |              |
| Rate rider for tax sharing      |              |              |              |              | \$ 0.0002    |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              | \$ 0.0004    | \$ 0.0008    |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ 0.0294    | \$ 0.0294    | \$ 0.0302    | \$ 0.0315    | \$ 0.0333    | \$ 0.0328    | \$ 0.0311    | \$ 0.0298    | \$ 0.0283    | \$ 0.0172    | \$ -         |              |
| Calendar year equivalent        |              | \$ 0.0294    | \$ 0.0294    | \$ 0.0302    | \$ 0.0311    | \$ 0.0330    | \$ 0.0328    | \$ 0.0328    | \$ 0.0311    | \$ 0.0298    | \$ 0.0283    | \$ -         |              |
| Seasonal (kWh)                  | kWh          | \$ 0.1001    | \$ 0.1001    | \$ 0.1006    | \$ 0.1015    | \$ 0.1029    | \$ 0.1462    | \$ 0.1435    | \$ 0.1402    | \$ 0.1338    | \$ 0.1494    |              |              |
| Rate rider for tax sharing      |              |              |              |              | \$ 0.0003    |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              | \$ 0.0003    | \$ 0.0008    | \$ 0.0041    |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ 0.1001    | \$ 0.1001    | \$ 0.1006    | \$ 0.1015    | \$ 0.1037    | \$ 0.1503    | \$ 0.1435    | \$ 0.1402    | \$ 0.1338    | \$ 0.1494    | \$ -         |              |
| Calendar year equivalent        |              | \$ 0.1001    | \$ 0.1001    | \$ 0.1001    | \$ 0.1012    | \$ 0.1033    | \$ 0.1464    | \$ 0.1503    | \$ 0.1435    | \$ 0.1402    | \$ 0.1338    | \$ -         |              |
| R2 (kW)                         | kW           | \$ 2.5728    | \$ 2.5728    | \$ 2.7086    | \$ 2.8949    | \$ 3.0887    | \$ 3.1131    | \$ 3.1691    | \$ 3.2629    | \$ 3.3451    | \$ 3.4194    |              |              |
| Rate rider for tax sharing      |              |              |              |              | \$ 0.0300    |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              | \$ 0.0373    | \$ 0.0761    | \$ 0.0035    |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ 2.5728    | \$ 2.5728    | \$ 2.7086    | \$ 2.9022    | \$ 3.1648    | \$ 3.1166    | \$ 3.1691    | \$ 3.2629    | \$ 3.3451    | \$ 3.4194    | \$ -         |              |
| Calendar year equivalent        |              | \$ 2.5728    | \$ 2.5728    | \$ 2.7086    | \$ 2.8377    | \$ 3.1210    | \$ 3.1206    | \$ 3.1166    | \$ 3.1691    | \$ 3.2629    | \$ 3.3451    | \$ -         |              |
| Street Lights (kWh)             | kWh          | \$ 0.1537    | \$ 0.1537    | \$ 0.1543    | \$ 0.1557    | \$ 0.1579    | \$ 0.1767    | \$ 0.2164    | \$ 0.2390    | \$ 0.3084    | \$ 0.3310    |              |              |
| Rate rider for tax sharing      |              |              |              |              | \$ 0.0003    |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              | \$ 0.0003    | \$ 0.0008    | \$ 0.0019    |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ 0.1537    | \$ 0.1537    | \$ 0.1543    | \$ 0.1557    | \$ 0.1587    | \$ 0.1786    | \$ 0.2164    | \$ 0.2390    | \$ 0.3084    | \$ 0.3310    | \$ -         |              |
| Calendar year equivalent        |              | \$ 0.1537    | \$ 0.1537    | \$ 0.1537    | \$ 0.1552    | \$ 0.1582    | \$ 0.1769    | \$ 0.1786    | \$ 0.2164    | \$ 0.2390    | \$ 0.3084    | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| 0                               | 0            |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for tax sharing      |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Rate rider for foregone revenue |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Other                           |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjusted rate                   |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |
| Calendar year equivalent        |              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |              |

Note: LDC to make note of adjustments made to Table 3 to accommodate the LDC's specific circumstances

Table 3-a. Distribution Rates by Rate Class

Table 3-a below autopopulates the average distribution rates from Table 3. Please ensure that the distribution rates relevant to the years of the LRAMVA disposition are used. Please clear the rates related to the year(s) that are not part of the LRAMVA claim.

The distribution rates that remain in Table 3-a will be used in Tabs 4 and 5 of the work form to calculate actual and forecast lost revenues. If there are additional adjustments (i.e., rows) added to Table 3, please adjust the formulas from Table 3-a, as well as the distribution rate links in Tabs 4 and 5.

| Year | R1 (kWh) | Seasonal (kWh) | R2 (kW)  | Street Lights (kWh) |          |          |          |          |          |          |          |          |          |
|------|----------|----------------|----------|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|      | kWh      | kWh            | kW       | kWh                 | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
|      |          |                |          |                     |          |          |          |          |          |          |          |          |          |
|      |          |                |          |                     |          |          |          |          |          |          |          |          |          |
|      |          |                |          |                     |          |          |          |          |          |          |          |          |          |
| 2015 | \$0.0328 | \$0.1464       | \$3.1206 | \$0.1769            | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |
| 2016 | \$0.0328 | \$0.1503       | \$3.1166 | \$0.1786            | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |
| 2017 | \$0.0311 | \$0.1435       | \$3.1691 | \$0.2164            | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

Note: LDC to make note of the years removed from this table, whose distribution rates are not part of the LRAMVA disposition



Ontario Energy Board

## LRAMVA Work Form: Determination of Rate Class Allocations

Version 3.0 (2019)

### Instructions

LDCs must clearly show how it has allocated actual CDM savings to applicable rate classes, including supporting documentation and rationale for its proposal. This should be shown by customer class and program each year.

Since API's traditional residential customers and its general service customers with demand less than 50 kW are all included in its R1 rate class, 100% of the savings were allocated to this class for CDM programs targeted exclusively toward home and small-business customers. For programs that could have had Seasonal customer uptake, such as coupons and appliance exchanges, the allocation was 93% to R1 and 7% to Seasonal. For programs such as Retrofit, where application-specific information was available for a relatively small number of projects, the allocation to rate classes for each year was based on actual application information.





LRAMVA Work Form:  
2011 - 2014 Lost Revenues Work Form

Version 3.0 (2019)

|        |                              |
|--------|------------------------------|
| Legend | User Inputs (Green)          |
|        | Auto Populated Cells (White) |
|        | Instructions (Grey)          |

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instructions | <b>1.</b> LDCs can apply for disposition of LRAMVA amounts at any time, but at a minimum, must do so as part of a cost of service (COS) application. The following LRAMVA work forms apply to LDCs that need to recover lost revenues from the 2011-2014 period. Please input or manually link the savings, adjustments and program savings persistence data in these tables from the LDC's Persistence Reports provided by the IESO (in Tab 7). As noted earlier, persistence data is available upon request from the IESO. Please also be advised that the same rate classes (of up to 14) are carried over from the Summary Tab 1.                                              |
|              | <b>2.</b> Please ensure that the IESO verified savings adjustments apply back to the program year it relates to. For example, savings adjustments related to 2012 programs that were reported by the IESO in 2013 should be included in the 2012 program savings table. In order for persisting savings to be claimed in future years, past year's initiative level savings results need to be filled out in the tables below. If the IESO adjustments were made available to the LDC after the LRAMVA was approved, the persistence of those savings adjustments in the future can be claimed as approved LRAMVA amounts are considered to be final.                              |
|              | <b>3.</b> The work forms below include the monthly multipliers for most programs in order to claim demand savings from energy efficiency programs, consistent with the monthly multipliers indicated in the OEB's updated LRAM policy related to peak demand savings in EB-2016-0182. Demand Response (DR3) savings should generally not be included with the LRAMVA calculation, unless supported by empirical evidence. LDCs are requested to confirm the monthly multipliers for all programs each year as placeholder values are provided. If a different monthly multiplier is used, please include rationale in Tab 1-a and highlight the new multiplier that has been used. |
|              | <b>4.</b> LDC are requested to input the applicable rate class allocation percentages to allocate actual savings to the rate classes. The generic template currently includes the same allocation percentage for program savings and its savings adjustments. If a different allocation is proposed for savings adjustments, LDCs must provide supporting rationale in Tab 1-a and highlight the change.                                                                                                                                                                                                                                                                           |
|              | <b>5.</b> The persistence of future savings is expected to be included in the distributor's load forecast after re-basing. LDCs are requested to delete the applicable savings persistence rows (auto-calculated after the LRAMVA totals for the year) if future year's persistence of savings is already captured in the updated load forecast. Please also provide assumptions about the years in which persistence is captured in the load forecast calculation in the "Notes" section below each table.                                                                                                                                                                        |

|        |                                               |
|--------|-----------------------------------------------|
| Tables | <a href="#">Table 4-a, 2011 Lost Revenues</a> |
|        | <a href="#">Table 4-b, 2012 Lost Revenues</a> |
|        | <a href="#">Table 4-c, 2013 Lost Revenues</a> |
|        | <a href="#">Table 4-d, 2014 Lost Revenues</a> |

| Table 4-a. 2011 Lost Revenues Work Form                           |                |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      |          |                |                             |                     |       |       |       |       |       |       |       |       |       |       |       |  |
|-------------------------------------------------------------------|----------------|--------------------------|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------|--------------------|-------------------------|------------------------------------------|------|------|------|------|------|------|------|----------|----------------|-----------------------------|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| Program                                                           | Results Status | Net Energy Savings (kWh) | Net Energy Savings Persistence (kWh) |        |        |        |        |        |        |        |        |      | Monthly Multiplier | Net Demand Savings (kW) | Net Peak Demand Savings Persistence (kW) |      |      |      |      |      |      |      |          |                | Rate Allocations for LRAMVA |                     |       |       |       |       |       |       |       |       |       |       |       |  |
|                                                                   |                | 2011                     | 2012                                 | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2011 |                    | 2012                    | 2013                                     | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | R1 (kWh) | Seasonal (kWh) | R2 (kW)                     | Street Lights (kWh) |       |       |       |       |       |       |       |       | Total |       |       |  |
| Consumer Program                                                  |                |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      |          |                |                             |                     |       |       |       |       |       |       |       |       |       |       |       |  |
| Appliance Retirement Adjustment to 2011 savings                   | Verified       | 41,532                   | 41,532                               | 41,532 | 41,330 | 31,011 | 0      | 0      | 0      | 0      | 0      |      | 6                  | 6                       | 6                                        | 6    | 4    | 0    | 0    | 0    | 0    | 0    | kWh      | kWh            | kw                          | kWh                 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 100%  |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Appliance Exchange Adjustment to 2011 savings                     | Verified       | 790                      | 790                                  | 790    | 391    | 0      | 0      | 0      | 0      | 0      | 0      |      | 1                  | 1                       | 1                                        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100%  |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| HVAC Incentives Adjustment to 2011 savings                        | Verified       | 19,936                   | 19,936                               | 19,936 | 19,936 | 19,936 | 19,936 | 19,936 | 19,936 | 19,936 | 19,936 |      | 10                 | 10                      | 10                                       | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 100.00%  | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100%  |  |
|                                                                   | True-up        | -3,422                   | -3,422                               | -3,422 | -3,422 | -3,422 | -3,422 | -3,422 | -3,422 | -3,422 | -3,422 |      | -2                 | -2                      | -2                                       | -2   | -2   | -2   | -2   | -2   | -2   | -2   | 100.00%  | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Conservation Instant Coupon Booklet Adjustment to 2011 savings    | Verified       | 41,414                   | 41,414                               | 41,414 | 41,414 | 38,098 | 34,476 | 26,973 | 26,799 | 33,737 | 12,915 |      | 3                  | 3                       | 3                                        | 3    | 2    | 2    | 2    | 2    | 2    | 1    | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100%  |  |
|                                                                   | True-up        | 608                      | 608                                  | 608    | 608    | 608    | 556    | 341    | 341    | 341    | 121    |      | 0                  | 0                       | 0                                        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Bi-Annual Retailer Event Adjustment to 2011 savings               | Verified       | 64,865                   | 64,865                               | 64,865 | 64,865 | 59,282 | 53,183 | 40,096 | 39,950 | 51,633 | 16,568 |      | 4                  | 4                       | 4                                        | 4    | 3    | 3    | 3    | 3    | 3    | 1    | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100%  |  |
|                                                                   | True-up        | 4,819                    | 4,819                                | 4,819  | 4,819  | 4,819  | 4,379  | 2,364  | 2,364  | 2,364  | 521    |      | 0                  | 0                       | 0                                        | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 93.00%   | 7.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Retailer Co-op Adjustment to 2011 savings                         | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
| True-up                                                           | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Residential Demand Response Adjustment to 2011 savings            | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
| True-up                                                           | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Residential Demand Response (IHD) Adjustment to 2011 savings      | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
| True-up                                                           | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Residential New Construction Adjustment to 2011 savings           | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
| True-up                                                           | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Business Program                                                  |                |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      |          |                |                             |                     |       |       |       |       |       |       |       |       |       |       |       |  |
| Retrofit Adjustment to 2011 savings                               | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Direct Install Lighting Adjustment to 2011 savings                | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Building Commissioning Adjustment to 2011 savings                 | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 3    |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 3    |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| New Construction Adjustment to 2011 savings                       | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Energy Audit Adjustment to 2011 savings                           | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Small Commercial Demand Response Adjustment to 2011 savings       | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Small Commercial Demand Response (IHD) Adjustment to 2011 savings | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Demand Response 3 Adjustment to 2011 savings                      | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Industrial Program                                                |                |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      |          |                |                             |                     |       |       |       |       |       |       |       |       |       |       |       |  |
| Process & System Upgrades Adjustment to 2011 savings              | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Monitoring & Targeting Adjustment to 2011 savings                 | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Energy Manager Adjustment to 2011 savings                         | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Retrofit Adjustment to 2011 savings                               | Verified       |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
|                                                                   | True-up        |                          |                                      |        |        |        |        |        |        |        |        | 12   |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Demand Response 3 Adjustment to 2011 savings                      | Verified       |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      | 0.00%    | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |       |  |
| True-up                                                           | True-up        |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      |          | 0.00%          | 0.00%                       | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Home Assistance Program                                           |                |                          |                                      |        |        |        |        |        |        |        |        |      |                    |                         |                                          |      |      |      |      |      |      |      |          |                |                             |                     |       |       |       |       |       |       |       |       |       |       |       |  |

Note: LDC to make note of key assumptions included above

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**Table 4-c. 2013 Lost Revenues Work Form** [Return to top](#)

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Ontario Energy Board

LRAMVA Work Form:

2015 - 2020 Lost Revenues Work Form

Version 3.0 (2019)

|        |                              |
|--------|------------------------------|
| Legend | User Inputs (Green)          |
|        | Auto Populated Cells (White) |
|        | Instructions (Grey)          |

- Instructions**
- LDCs can apply for disposition of LRAMVA amounts at any time, but at a minimum, must do so as part of a cost of service (COS) application. The following LRAMVA work forms apply to LDCs that need to recover lost revenues from the 2015-2020 period. Please input or manually link the savings, adjustments and program savings persistence data in these tables from the LDC's Persistence Reports provided by the IESO (in Tab 7). As noted earlier, persistence data is available upon request from the IESO. Please also be advised that the same rate classes (of up to 14) are carried over from the Summary Tab 1.
  - Please ensure that the IESO verified savings adjustments apply back to the program year it relates to. For example, savings adjustments related to 2016 programs that were reported by the IESO in 2017 should be included in the 2016 program savings table. In order for persisting savings to be claimed in future years, past year's initiative level savings results need to be filled out in the tables below. If the IESO adjustments were made available to the LDC after the LRAMVA was approved, the persistence of those savings adjustments in the future can be claimed as approved LRAMVA amounts are considered to be final.
  - The work forms below include the monthly multipliers for most programs in order to claim demand savings from energy efficiency programs, consistent with the monthly multipliers indicated in the OEB's updated LRAM policy related to peak demand savings in EB-2016-0182. Demand Response (DR3) savings should generally not be included with the LRAMVA calculation, unless supported by empirical evidence. LDCs are requested to confirm the monthly multipliers for all programs each year as placeholder values are provided. If a different monthly multiplier is used, please include rationale in Tab 1-a and highlight the new multiplier that has been used.
  - LDC are requested to input the applicable rate class allocation percentages to allocate actual savings to the rate classes. The generic template currently includes the same allocation percentage for program savings and its savings adjustments. If a different allocation is proposed for savings adjustments, LDCs must provide supporting rationale in Tab 1-a and highlight the change.
  - The persistence of future savings is expected to be included in the distributor's load forecast after re-basing. LDCs are requested to delete the applicable savings persistence rows (auto-calculated after the LRAMVA totals for the year) if future year's persistence of savings is already captured in the updated load forecast. Please also provide assumptions about the years in which persistence is captured in the load forecast calculation in the "Notes" section below each table.

- Tables**
- Table 5-a. 2015 Lost Revenues
  - Table 5-b. 2016 Lost Revenues
  - Table 5-c. 2017 Lost Revenues
  - Table 5-d. 2018 Lost Revenues
  - Table 5-e. 2019 Lost Revenues
  - Table 5-f. 2020 Lost Revenues

| Table 5-a. 2015 Lost Revenues Work Form                                        |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
|--------------------------------------------------------------------------------|------------------|--------------------------|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|-------------------------|------------------------------------------|------|------|------|------|------|------|------|------|----------|-----------------------------|---------|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| Program                                                                        | Results Status   | Net Energy Savings (kWh) | Net Energy Savings Persistence (kWh) |         |         |         |         |         |         |         |         | Monthly Multiplier | Net Demand Savings (kW) | Net Peak Demand Savings Persistence (kW) |      |      |      |      |      |      |      |      |          | Rate Allocations for LRAMVA |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
|                                                                                |                  | 2015                     | 2016                                 | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    |                    | 2015                    | 2016                                     | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | R1 (kWh) | Seasonal (kWh)              | R2 (kW) | Street Lights (kWh) |       |       |       |       |       |       |       |       |       | Total |       |       |  |
| Legacy Framework                                                               |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      | kWh      | kWh                         | kW      | kWh                 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |       |       |       |  |
| Residential Program                                                            |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Coupon Initiative                                                              | Verified         | 56,071                   | 55,570                               | 55,570  | 55,570  | 55,570  | 55,570  | 55,570  | 55,570  | 55,558  | 55,558  |                    | 11                      | 11                                       | 11   | 11   | 11   | 11   | 11   | 11   | 11   |      | 93.00%   | 7.00%                       |         |                     |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          | 497                      | 464                                  | 464     | 464     | 464     | 464     | 464     | 464     | 442     | 442     |                    | 0                       | 0                                        | 0    | 0    | 0    | 0    | 0    | 0    | 0    |      | 93.00%   | 7.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Bi-Annual Retailer Event Initiative                                            | Verified         | 80,801                   | 78,121                               | 78,121  | 78,121  | 78,121  | 78,121  | 78,121  | 78,119  | 78,119  | 78,119  |                    | 16                      | 15                                       | 15   | 15   | 15   | 15   | 15   | 15   | 15   |      | 93.00%   | 7.00%                       |         |                     |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      | 93.00%   | 7.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Appliance Retirement Initiative                                                | Verified         | 15,888                   | 15,888                               | 15,888  | 15,888  | 8,953   | 0       | 0       | 0       | 0       | 0       |                    | 3                       | 3                                        | 3    | 3    | 2    | 0    | 0    | 0    | 0    | 0    |          | 93.00%                      | 7.00%   |                     |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      | 93.00%   | 7.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| HVAC Incentives Initiative                                                     | Verified         | 52,693                   | 52,693                               | 52,693  | 52,693  | 52,693  | 52,693  | 52,693  | 52,693  | 52,693  | 52,693  |                    | 10                      | 10                                       | 10   | 10   | 10   | 10   | 10   | 10   | 10   |      | 100.00%  |                             |         |                     |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          | 2,058                    | 2,058                                | 2,058   | 2,058   | 2,058   | 2,058   | 2,058   | 2,058   | 2,058   | 2,058   |                    | 0                       | 0                                        | 0    | 0    | 0    | 0    | 0    | 0    | 0    |      | 100.00%  | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Residential New Construction and Major Adjustment to 2015 savings              | Verified True-up |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |  |
| Commercial & Institutional Program                                             |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Energy Audit Initiative                                                        | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       | 0%    |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0%    |  |
| Efficiency: Equipment Replacement Incentive Initiative                         | Verified         | 407,941                  | 407,941                              | 406,839 | 406,839 | 406,839 | 406,839 | 405,263 | 405,263 | 405,263 | 400,127 | 12                 | 80                      | 80                                       | 80   | 80   | 80   | 80   | 79   | 79   | 79   | 78   | 2%       | 0%                          | 1.01%   | 96.69%              |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          | 3,087                    | 3,087                                | 4,189   | 4,189   | 4,189   | 4,189   | 5,765   | 5,765   | 5,765   | 5,299   | 12                 | 1                       | 1                                        | 1    | 1    | 1    | 1    | 1    | 1    | 1    |      | 1.87%    | 0.00%                       | 1.01%   | 96.69%              | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Direct Install Lighting and Water Heating Initiative                           | Verified         | 368,957                  | 254,297                              | 213,243 | 212,109 | 212,109 | 212,109 | 212,109 | 212,109 | 212,109 | 212,109 | 12                 | 72                      | 50                                       | 42   | 42   | 42   | 42   | 42   | 42   | 42   | 42   | 100.00%  | 0%                          | 0.00%   |                     |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          | -164,022                 | -49,362                              | -8,308  | 18,113  | 18,113  | 18,113  | 18,113  | 18,113  | 18,113  | 18,113  | 12                 | -32                     | -10                                      | -2   | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 100.00%  | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| New Construction and Major Renovation Initiative                               | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Existing Building Commissioning Incentive Initiative                           | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 3                  |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 3                  |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Industrial Program                                                             |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Process and Systems Upgrades Initiatives - Project Incentive Initiative        | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Process and Systems Upgrades Initiatives - Energy Manager Initiative           | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Low Income Program                                                             |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Low Income Initiative                                                          | Verified         | 13,607                   | 10,374                               | 9,867   | 9,360   | 9,360   | 9,360   | 9,360   | 9,360   | 4,365   | 4,365   | 12                 | 3                       | 2                                        | 2    | 2    | 2    | 2    | 2    | 2    | 1    | 1    | 100.00%  | 0.00%                       |         |                     |       |       |       |       |       |       |       |       |       |       | 100%  |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 100.00%  | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Other                                                                          |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Aboriginal Conservation Program                                                | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 0                  |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 0                  |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Program Enabled Savings                                                        | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 0                  |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 0                  |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Conservation Fund Pilots                                                       |                  |                          |                                      |         |         |         |         |         |         |         |         |                    |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Conservation Fund Pilot - EnerNOC                                              | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Loblaws Pilot                                                                  | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Conservation Fund Pilot - SEG                                                  | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |
| Social Benchmarking Pilot                                                      | Verified         |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      |          |                             |         |                     |       |       |       |       |       |       |       |       |       | 0%    |       |       |  |
| Adjustment to 2015 savings                                                     | True-up          |                          |                                      |         |         |         |         |         |         |         |         | 12                 |                         |                                          |      |      |      |      |      |      |      |      | 0.00%    | 0.00%                       | 0.00%   | 0.00%               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |       |  |







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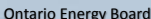
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|                                         |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
|-----------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Distribution Rate in 2020               | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 |
| Lost Revenue in 2020 from 2011 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2012 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2013 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2014 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2015 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2016 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2017 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2018 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2019 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Lost Revenue in 2020 from 2020 programs | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Total Lost Revenues in 2020             | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| Forecast Lost Revenues in 2020          | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    | \$0.00    |
| LRAMVA in 2020                          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           | \$0.00    |

Note: LDC to make note of key assumptions included above

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**Version 3.0 (2019)**

### Legend

User Inputs (Green)

Auto Populated Cells (White)

Instructions (Grey)

### Instructions

1. Please update Table 6-a as new approved prescribed interest rates for federal and variance accounts become available. Monthly interest rates are used to calculate the variance on the carrying charges for LRAMVA. Starting from column I, the principal will auto-populate as monthly variances in Table 6-a, and are multiplied by the interest rate from column H to determine the monthly variances on carrying charges for each rate class by year.
2. The annual carrying charges totals in Table 6-a below pertain to the amount that was originally collected in interest from forecasted CDM savings and what should have been collected based on actual CDM savings. As the amounts calculated in Table 6-a are cumulative, LDCs are requested to enter any collected interest amounts into the "Amounts Cleared" row in order to clear the balance and calculate outstanding variances on carrying charges.
3. Please calculate the projected interest amounts in the LRAMVA work form. Project carrying charges amounts included in Table 6-a should be consistent with the projected interest amounts included in the DVA Continuity Schedule. **If there are additional adjustments required to the formulas to calculate the projected interest amounts, please adjust the formulas in Table 6-a accordingly.**

Table 6. Prescribed Interest Rates

| Quarter | Approved Deferral & Variance<br>Accounts |
|---------|------------------------------------------|
| 2011 Q1 | 1.47%                                    |
| 2011 Q2 | 1.47%                                    |
| 2011 Q3 | 1.47%                                    |
| 2011 Q4 | 1.47%                                    |
| 2012 Q1 | 1.47%                                    |
| 2012 Q2 | 1.47%                                    |
| 2012 Q3 | 1.47%                                    |
| 2012 Q4 | 1.47%                                    |
| 2013 Q1 | 1.47%                                    |
| 2013 Q2 | 1.47%                                    |
| 2013 Q3 | 1.47%                                    |
| 2013 Q4 | 1.47%                                    |
| 2014 Q1 | 1.47%                                    |
| 2014 Q2 | 1.47%                                    |
| 2014 Q3 | 1.47%                                    |
| 2014 Q4 | 1.47%                                    |
| 2015 Q1 | 1.47%                                    |
| 2015 Q2 | 1.10%                                    |
| 2015 Q3 | 1.10%                                    |
| 2015 Q4 | 1.10%                                    |
| 2016 Q1 | 1.10%                                    |
| 2016 Q2 | 1.10%                                    |
| 2016 Q3 | 1.10%                                    |
| 2016 Q4 | 1.10%                                    |
| 2017 Q1 | 1.10%                                    |
| 2017 Q2 | 1.10%                                    |
| 2017 Q3 | 1.10%                                    |
| 2017 Q4 | 1.50%                                    |
| 2018 Q1 | 1.50%                                    |
| 2018 Q2 | 1.89%                                    |
| 2018 Q3 | 1.89%                                    |
| 2018 Q4 | 2.17%                                    |
| 2019 Q1 | 2.45%                                    |
| 2019 Q2 | 2.18%                                    |
| 2019 Q3 | 2.18%                                    |
| 2019 Q4 | 2.18%                                    |
| 2020 Q1 |                                          |
| 2020 Q2 |                                          |
| 2020 Q3 |                                          |
| 2020 Q4 |                                          |

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Table 6-a. Calculation of Carrying Costs by Rate Class

[Go to Tab 1: Summary](#)[illegible]

|                          |           |    |       |             |            |          |            |        |        |        |        |        |        |        |        |        |        |        |             |
|--------------------------|-----------|----|-------|-------------|------------|----------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
| Feb-15                   | 2011-2015 | Q1 | 0.12% | \$6.21      | \$0.59     | \$0.05   | \$1.25     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$8.11      |
| Mar-15                   | 2011-2015 | Q1 | 0.12% | \$12.43     | \$1.18     | \$0.10   | \$2.51     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$16.22     |
| Apr-15                   | 2011-2015 | Q2 | 0.09% | \$13.95     | \$1.33     | \$0.11   | \$2.81     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$18.20     |
| May-15                   | 2011-2015 | Q2 | 0.09% | \$18.60     | \$1.77     | \$0.15   | \$3.75     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$24.27     |
| Jun-15                   | 2011-2015 | Q2 | 0.09% | \$23.25     | \$2.21     | \$0.19   | \$4.69     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$30.34     |
| Jul-15                   | 2011-2015 | Q3 | 0.09% | \$5.67      | \$0.50     | \$0.05   | \$2.67     | \$0.00 | \$0.00 | \$0.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$36.40     |
| Aug-15                   | 2011-2015 | Q3 | 0.09% | \$32.55     | \$3.10     | \$0.26   | \$6.56     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$42.47     |
| Sep-15                   | 2011-2015 | Q3 | 0.09% | \$37.20     | \$3.54     | \$0.30   | \$7.50     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$48.54     |
| Oct-15                   | 2011-2015 | Q4 | 0.09% | \$41.85     | \$3.98     | \$0.33   | \$8.44     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$54.60     |
| Nov-15                   | 2011-2015 | Q4 | 0.09% | \$46.50     | \$4.43     | \$0.37   | \$9.38     | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$60.67     |
| Dec-15                   | 2011-2015 | Q4 | 0.09% | \$51.15     | \$4.87     | \$0.41   | \$10.31    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$66.74     |
| Total for 2015           |           |    |       | \$311.59    | \$29.67    | \$2.48   | \$62.82    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$406.56    |
| Amount Cleared           |           |    |       |             |            |          |            |        |        |        |        |        |        |        |        |        |        |        |             |
| Opening Balance for 2016 |           |    |       | \$311.59    | \$29.67    | \$2.48   | \$62.82    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$406.56    |
| Jan-16                   | 2011-2016 | Q1 | 0.09% | \$55.80     | \$5.31     | \$0.44   | \$11.25    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$72.81     |
| Feb-16                   | 2011-2016 | Q1 | 0.09% | \$63.46     | \$6.47     | \$0.49   | \$14.35    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$84.77     |
| Mar-16                   | 2011-2016 | Q1 | 0.09% | \$71.13     | \$7.62     | \$0.53   | \$17.46    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$96.73     |
| Apr-16                   | 2011-2016 | Q2 | 0.09% | \$78.79     | \$8.77     | \$0.57   | \$20.56    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$108.69    |
| May-16                   | 2011-2016 | Q2 | 0.09% | \$86.45     | \$9.92     | \$0.62   | \$23.66    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$120.66    |
| Jun-16                   | 2011-2016 | Q2 | 0.09% | \$94.11     | \$11.08    | \$0.66   | \$26.77    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$132.62    |
| Jul-16                   | 2011-2016 | Q3 | 0.09% | \$101.78    | \$12.23    | \$0.70   | \$29.87    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$144.58    |
| Aug-16                   | 2011-2016 | Q3 | 0.09% | \$109.44    | \$13.38    | \$0.75   | \$32.98    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$156.54    |
| Sep-16                   | 2011-2016 | Q3 | 0.09% | \$117.10    | \$14.53    | \$0.79   | \$36.08    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$168.51    |
| Oct-16                   | 2011-2016 | Q4 | 0.09% | \$124.76    | \$15.69    | \$0.83   | \$39.19    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$180.47    |
| Nov-16                   | 2011-2016 | Q4 | 0.09% | \$132.43    | \$16.84    | \$0.88   | \$42.29    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$192.43    |
| Dec-16                   | 2011-2016 | Q4 | 0.09% | \$140.09    | \$17.99    | \$0.92   | \$45.39    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$204.39    |
| Total for 2016           |           |    |       | \$1,486.93  | \$169.50   | \$10.66  | \$402.67   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,069.75  |
| Amount Cleared           |           |    |       |             |            |          |            |        |        |        |        |        |        |        |        |        |        |        |             |
| Opening Balance for 2017 |           |    |       | \$1,486.93  | \$169.50   | \$10.66  | \$402.67   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,069.75  |
| Jan-17                   | 2011-2017 | Q1 | 0.09% | \$147.75    | \$19.14    | \$0.96   | \$48.50    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$216.36    |
| Feb-17                   | 2011-2017 | Q1 | 0.09% | \$212.47    | \$21.59    | \$1.04   | \$71.21    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$234.52    |
| Mar-17                   | 2011-2017 | Q1 | 0.09% | \$171.68    | \$23.81    | \$1.12   | \$56.08    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$252.69    |
| Apr-17                   | 2011-2017 | Q2 | 0.09% | \$183.64    | \$26.14    | \$1.20   | \$59.88    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$270.86    |
| May-17                   | 2011-2017 | Q2 | 0.09% | \$195.61    | \$28.47    | \$1.28   | \$63.67    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$289.03    |
| Jun-17                   | 2011-2017 | Q2 | 0.09% | \$207.57    | \$30.80    | \$1.36   | \$67.47    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$307.20    |
| Jul-17                   | 2011-2017 | Q3 | 0.09% | \$219.54    | \$33.13    | \$1.44   | \$71.26    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$325.36    |
| Aug-17                   | 2011-2017 | Q3 | 0.09% | \$231.50    | \$35.46    | \$1.51   | \$75.06    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$343.53    |
| Sep-17                   | 2011-2017 | Q3 | 0.09% | \$243.46    | \$37.79    | \$1.59   | \$78.85    | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$361.70    |
| Oct-17                   | 2011-2017 | Q4 | 0.13% | \$348.31    | \$54.71    | \$2.28   | \$112.70   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$518.00    |
| Nov-17                   | 2011-2017 | Q4 | 0.13% | \$364.63    | \$57.89    | \$2.39   | \$117.87   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$542.78    |
| Dec-17                   | 2011-2017 | Q4 | 0.13% | \$380.94    | \$61.07    | \$2.49   | \$123.05   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$567.55    |
| Total for 2017           |           |    |       | \$4,341.29  | \$599.38   | \$29.33  | \$1,329.34 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$6,299.33  |
| Amount Cleared           |           |    |       |             |            |          |            |        |        |        |        |        |        |        |        |        |        |        |             |
| Opening Balance for 2018 |           |    |       | \$4,341.29  | \$599.38   | \$29.33  | \$1,329.34 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$6,299.33  |
| Jan-18                   | 2011-2018 | Q1 | 0.13% | \$397.26    | \$64.25    | \$2.60   | \$128.22   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$592.33    |
| Feb-18                   | 2011-2018 | Q1 | 0.13% | \$412.73    | \$67.34    | \$2.97   | \$135.85   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$618.89    |
| Mar-18                   | 2011-2018 | Q1 | 0.13% | \$428.21    | \$70.42    | \$3.33   | \$143.48   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$645.45    |
| Apr-18                   | 2011-2018 | Q2 | 0.16% | \$559.04    | \$92.62    | \$4.66   | \$190.41   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$846.74    |
| May-18                   | 2011-2018 | Q2 | 0.16% | \$578.54    | \$98.51    | \$5.04   | \$200.02   | \$0.00 | \$0.00 | \$0.13 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$880.21    |
| Jun-18                   | 2011-2018 | Q2 | 0.16% | \$598.04    | \$100.40   | \$5.59   | \$209.64   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$913.68    |
| Jul-18                   | 2011-2018 | Q3 | 0.16% | \$617.55    | \$104.29   | \$6.05   | \$219.25   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$947.14    |
| Aug-18                   | 2011-2018 | Q3 | 0.16% | \$637.05    | \$108.18   | \$6.51   | \$228.87   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$980.61    |
| Sep-18                   | 2011-2018 | Q3 | 0.16% | \$656.55    | \$112.07   | \$6.97   | \$238.49   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,014.08  |
| Oct-18                   | 2011-2018 | Q4 | 0.18% | \$776.20    | \$133.15   | \$8.54   | \$284.86   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,202.74  |
| Nov-18                   | 2011-2018 | Q4 | 0.18% | \$798.59    | \$137.61   | \$9.00   | \$295.90   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,241.17  |
| Dec-18                   | 2011-2018 | Q4 | 0.18% | \$820.98    | \$142.08   | \$9.60   | \$305.94   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,279.60  |
| Total for 2018           |           |    |       | \$11,622.03 | \$1,828.32 | \$100.36 | \$3,911.26 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$17,461.97 |
| Amount Cleared           |           |    |       |             |            |          |            |        |        |        |        |        |        |        |        |        |        |        |             |
| Opening Balance for 2019 |           |    |       | \$11,622.03 | \$1,828.32 | \$100.36 | \$3,911.26 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$17,461.97 |
| Jan-19                   | 2011-2019 | Q1 | 0.20% | \$952.19    | \$165.45   | \$11.44  | \$359.01   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,488.09  |
| Feb-19                   | 2011-2019 | Q1 | 0.20% | \$976.16    | \$170.26   | \$12.05  | \$375.09   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,533.57  |
| Mar-19                   | 2011-2019 | Q1 | 0.20% | \$1,009.13  | \$175.07   | \$12.67  | \$391.19   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,579.04  |
| Apr-19                   | 2011-2019 | Q2 | 0.18% | \$911.24    | \$160.05   | \$11.82  | \$362.38   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,445.49  |
| May-19                   | 2011-2019 | Q2 | 0.18% | \$932.57    | \$164.33   | \$12.36  | \$376.69   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,485.95  |
| Jun-19                   | 2011-2019 | Q2 | 0.18% | \$953.89    | \$168.61   | \$12.91  | \$391.01   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,526.42  |
| Jul-19                   | 2011-2019 | Q3 | 0.18% | \$975.22    | \$172.88   | \$13.46  | \$405.32   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,566.88  |
| Aug-19                   | 2011-2019 | Q3 | 0.18% | \$996.55    | \$177.16   | \$14.00  | \$419.63   | \$0.00 | \$0.00 | \$0.00 | \$0.00 |        |        |        |        |        |        |        |             |

Supporting Documentation:  
LDC Persistence Savings Results from IESO

**TABLE 1.2 (Contd.)**

| Legend |                       |
|--------|-----------------------|
|        | User Inputs (Green)   |
|        | Drop-Down List (Blue) |
|        | Instructions (Grey)   |

**\*\* IESO Persistence Report filed as stand-alone workbook\*\***

- \*\*\*\*\* PERSISTENCE REPORT filed as stand-alone workbook\*\*\*\*\***
1. **Column 1** of this file has been structured in a way to match the formation of the persistence report created by the RDCS. Please copy and paste the accession information by tabular in Columns 2 and 3 and the corresponding demand and priority status data by tabular in Columns 4 to 10 of this work file.
2. Please identify the source of the document as per the dropdown in **Column 1**.
3. To include the identifiers of all accessions that are available to a researcher which results must, I will be asked to sort all the data by identification year (Column 6). This can be done by clicking on the file button at the bottom left of RDCS and clicking on "sort", before you set values, ensure that all data columns have been blank.
4. Please identify what the specific case reference is. A document may be the result of the work on an identification in one column or the identification in Column 1. Current year numbers will be identified only as representations that matches the year of the persistence report. A document identifier will be identified with a single year representation in the future may be results must.
5. The document itself will be the final document and will be available in Column 1, 2 or 3 of this work file.
- NOTES:** The Persistence Report Demand Based Accession and the Workfile Accession Report are the source used to the comprehensive tables in Table 1 and 2. The tables below which tracks these accessed by Table 1.

NOTE: The Net Verified Peak Demand Services table and Net Verified Energy Services table below are in the reverse order to the accompanying tables in Tab 4 and Tab 5. The tables below match those provided by the WSC.

Table 7. 2011-2020 Verified Program Results and Persistence into Future Years

[illegible]



Ontario Energy Board

## LRAMVA Work Form: Documentation for Streetlighting Projects

Version 3.0 (2019)

### Instructions

Please provide documentation and/or data to substantiate program savings that were not provided in the IESO's verified results reports (i.e., streetlighting projects).

Not Applicable - API Street Lighting conversions completed under Retrofit applications and included in verified results.