B-Staff-1
Ref: Brantford Power, Rate Generator Model, Tab 3 – Continuity Schedule

Appendix A of the Chapter 3 Filing Requirements[1] states, "Applicants are expected to request disposition of residual balances in Account 1595 Sub-accounts for each vintage year only once, on a final basis."

OEB staff notes that Brantford Power has selected "Yes" for disposition of the residual balances of its 1595 Sub-Account (2016) despite having already cleared the residual balances in the 2019 rates proceeding.

a) Please explain why Brantford Power has selected the 1595 Sub-Account (2016) for disposition. If it is in error, please update the Rate Generator Model.

BPI Response:

Brantford Power selected the 1595 Sub-Account (2016) for disposition in error and has included the correction in the updated Rate Generator Model included as IR-Attachment A. BPI notes that it is not requesting disposition of any Deferral and Variance Accounts, and therefore this change has no impact on any rate outcomes.

B-Staff-2
Ref: Brantford Power, Rate Generator Model, Tab 3 – Continuity Schedule

OEB staff notes that no disposition of Group 1 Deferral and Variance accounts was allowed during the 2018 rates proceeding. For the 2018 rate year, Brantford Power has included transaction and interest entries for the 1595 Sub-Account (2016), 1595 Sub-Account (2017) and 1595 Sub-Account (2018) in the continuity schedule. The amounts are reproduced below:

	Transactions Debit / (Credit) in 2018	Interest in 2018
1595 (2016)	1,725	3,618
1595 (2017)	(63,373)	1,557
1595 (2018)	(7,598)	7,508

a) Given that no disposition of Group 1 Deferral and Variance accounts was allowed in 2018, what do the 1595 (2018) amounts shown above represent?

BPI Response:

In BPI's 2018 IRM application the OEB approved the disposition of BPI's LRAMVA Total Claim of $220,873. The amounts shown in the transactions for the 1595 Sub-Account (2018) are the residual balances at the end of 2018.

b) Given that the rate riders for 1595 (2016) and 1595 (2017) ended in 2016 and 2017 for the two accounts, respectively, please explain the reasons for the amounts recorded in the 1595 sub-accounts for 2016 and 2017.

BPI Response:

In 2018 BPI identified an internal mapping error which resulted in the requirement for a correction to the 1595 (2017) account in the amount of ($56,742.81). The remaining balances in both 1595 (2016) and 1595(2017) are related to billing corrections that occurred in 2018 relating to either 2016 or 2017. BPI acknowledges that the 1595(2016) balance should be written off.

Interest was accrued on the principal balances on a monthly basis for the year 2018 using the OEB's Approved Deferral and Variance account – prescribed interest rates. The monthly interest rates used for each quarter is as follows in IR-Table-1:

IR-Table-1 – 2018 Prescribed Interest Rates

	Prescribed Rate	Monthly (/12)
Q1 2018	1.50%	0.125%
Q2 2018	1.89%	0.158%
Q3 2018	1.89%	0.158%
Q4 2018	2.17%	0.181%

B-Staff-3
Ref: Brantford Power, Rate Generator Model, Tab 12 – RTSR – Historical Wholesale

IESO	Network			Line Connection			Transformation Connection		
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	150,244	$3.61	$ 542,381	155,718	$0.95	147,932	123,560	$2.34	$ 289,130
February	140,250	$3.61	$ 506,303	144,858	$0.95	137,615	114,429	$2.34	$ 267,764
March	131,349	$3.61	$ 474,170	138,060	$0.95	131,157	105,599	$2.34	$ 247,102
April	130,075	$3.61	$ 469,571	134,091	$1.17	156,813	102,221	$3.01	$ 307,748
May	175,856	$3.61	$ 634,840	180,206	$0.95	171,196	140,320	$2.34	$ 328,349
June	164,935	$3.61	$ 595,415	208,857	$0.95	198,414	152,964	$2.34	$ 357,936
July	195,251	$3.61	$ 704,856	198,871	$0.95	188,927	156,627	$2.34	$ 366,507
August	187,250	$3.61	$ 675,973	188,543	$0.95	179,116	147,017	$2.34	$ 344,020
September	189,612	$3.61	$ 684,499	192,601	$0.95	182,971	149,907	$2.34	$ 350,782
October	144,959	$3.61	$ 523,302	149,277	$0.95	141,813	117,382	$2.34	$ 274,674
November	142,746	$3.61	$ 515,313	154,256	$0.95	146,543	115,310	$2.34	$ 269,825
December	135,269	$3.61	$ 488,321	147,233	$0.95	139,871	107,017	$2.34	$ 250,420
Total	1,887,796	$ 3.61	$ 6,814,944	1,992,571	$ 0.96	$ 1,922,369	1,532,353	$ 2.38	$ 3,654,257

In tab 12, the UTR amounts and units billed for the month of April 2018 for Line Connection and Transformer Connection result in rates that do not match the OEB approved 2018 UTRs.

a) Please explain the discrepancy and provide an updated Rate Generator Model if any errors are identified.

BPI Response:

In April of each year, BPI is billed for the Gross Load Billing for the prior year, which is a true up for the prior year's transmission rates for end-use customers with behind the meter generation. As these are transmission related costs, BPI has included the billed amounts in the month they were billed. BPI is not currently permitted to collect these costs from the specific customers and therefore records them with wholesale transmission billings.

B-Staff-4
Ref 1: Brantford Power, IRM Application, Page 25
Ref 2: Brantford Power, Rate Generator Model, Tabs 18, 19

Brantford Power proposes having the ICM rate riders be effective until the effective date of its next cost of service-based rate order.

OEB staff has updated the description of the ICM rate rider expiry dates in tabs 18 and 19 of the rate generator model. The rate riders now read "…effective until the next cost of service-based rate order."

Please confirm if Brantford Power agrees with OEB staff's changes.

BPI Response:

BPI agrees with this change.

B-Staff-5
Ref: Brantford Power, IRM Application, Page 12

a) Please confirm whether Brantford Power has implemented the new accounting guidance by August 31, 2019.

BPI Response:

Brantford Power confirms that the new accounting guidance was implemented for August 31, 2019.

b) Please discuss the changes in accounting and processes made to adhere to the new accounting guidance.

BPI Response:

BPI now incorporates the difference between final pricing and RPP pricing on the consumption difference between estimated and actual consumption as part of the true up process

BPI has adopted the three step true up process which is as follows:

1. Initial RPP Settlement claim for current month
2. First True up for GA and Power price for the previous month
3. Second true up for the actual kWh sales volumes for 2-3 months prior

BPI has incorporated the use of the OEB's illustrative commodity model into its monthly settlement and true processes.

B-Staff-6
Ref: Brantford Power, pages 3-4

Regarding question 3a:

a) Question 3a asks for a description on how the RPP GA used in the RPP settlement is determined. In its response, Brantford Power discusses how RPP consumption is derived and how it is used to allocate CT 148. Please explain Brantford Power's process in determining RPP GA used in the RPP settlement process, resulting in CT 1142.

BPI Response:

Brantford Power applies the Global Adjustment 2nd estimate rate obtained from the IESO to the estimated RPP consumption in KWh to determine the amount of RPP GA during the initial settlement process. The actual GA posted rate is subsequently used to true-up RPP GA.

b) For TOU meter read dates and the estimate of conventional meter consumption, please explain whether the consumption data obtained is for the full calendar month. If not, please explain how the remaining consumption for the month after the meter read/estimate date is incorporated into the RPP settlement process.

BPI Response:

Brantford Power obtains estimated monthly consumption for the full calendar month to complete the RPP settlement process. Brantford Power subsequently trues up consumption based on actual consumption obtained from billing by read date reports.

B-Staff-7
Ref 1: Brantford Power, IRM Application, Pages 12-14, 20
Ref 2: Brantford Power, GA Appendix A, Pages 3-4

On page 12, it states that "As BPI used a different CIS system in those years, the required reports were available for prior years." In Appendix A, it states that the new CIS was implemented in April 2019.

a) Please clarify which years the required reports were available for.

BPI Response:

The required reports were available until the implementation of the new CIS in April 2019. The required data was captured in the previous CIS.

b) Please explain how the implementation of the CIS in April 2019 correlates to the adjustments identified for 2017 and 2018 balances.

BPI Response:

The implementation of the new CIS in April 2019 does not correlate to the adjustments identified for 2017 and 2018. The implementation of the new CIS deferred BPI's ability to verify the May 2019 – July 2019 settlement process in accordance with the new accounting guidance. This issue has since been resolved and BPI is now able to access the required reports in its new CIS.

a) Per page 14 of the Manager's Summary regarding adjustments, the original true up calculation did not factor the difference between final pricing and RPP pricing on the estimated and actual consumption difference. Smaller variances resulted from differences due to the use of the posted GA rate instead of the GA rate calculated using the IESO invoice.

i. Please confirm that the adjustments are only pertaining to the RPP settlement.

BPI Response:

BPI re-calculated its monthly true-ups using the OEB's illustrative commodity model and compared the outcomes against the calculations using the previous method. BPI confirms the adjustments are only pertaining to the RPP settlement.

ii. If yes, please confirm the adjustments only affect Account 1588 and not Account 1589.

BPI Response:

BPI confirms that the adjustments only affect Account 1588, as recorded in cells AW28 and BF28 in the 2020 IRM Rate Generator model for 2017 and 2018 adjustments respectively.

iii. If Account 1589 is affected, please provide the GA Analysis Workform for 2016 and 2017.

BPI Response:

BPI confirms that Account 1589 was not affected and therefore no adjustments relating to the Accounting guidance were made to account 1589.

iv. Please explain whether the above is referring to both a RPP pricing difference and GA pricing difference.

BPI Response:

The above is referring to a RPP pricing difference on the RPP revenue for the estimated and actual consumption differences. This is what resulted in the material adjustments required to account 1588 in both 2017 and 2018.

v. Please explain how the "final pricing" for RPP was calculated before and after the issue was noted. Please provide an example of the calculation.

BPI Response:

The "final pricing" referred to would more correctly have been called the RPP pricing difference, that is, the difference between the RPP pricing/kWh/peak "bucket" (which is constant throughout the process) and COP+ GA/kWh (which is estimated in the initial settlement). The pricing difference for RPP TOU is determined by calculating the weighted average price of power and adjusted for the actual global adjustment rate and comparing this to the RPP rates. The weighted average price of power is calculated by dividing the actual cost of power by the actual kWh purchased for the month, adjusted to remove the non-designated interval kWh. The actual posted global adjustment rate is included in the "final pricing" difference for RPP. An illustrative example is included in IR-Table-2 below.

IR-Table-2-Illustrative final pricing for Weighted Average Price of Power

BPI method previously used:			
	Cost of Power	$ 1,000,000.00	A
	Actual kWh purchased	75,000,000.00	
	LESS: Non-designated interval kWh	(35,000,000.00)	
	Total kWh purchased	40,000,000.00	B
	Weighted Average Price of Power	$ 0.0250000	C=A/B
	Actual GA rate /1000	$ 0.0740400	D
	Final Price	**$ 0.0990400**	**E=C+D**

This method for calculating the final RPP price difference is consistent before and after the issue was noted. The issue was a result of the RPP revenue rate not being applied to the estimated and actual consumption differences for TOU customers.

b) Brantford has not recorded these entries into its GL. Please confirm that Brantford has also not settled the adjustments to the true ups with the IESO.

BPI Response:

At the time of the submission of this rate application (August 12, 2019) BPI had not recorded these entries in its GL nor had it settled the adjustments with the IESO. BPI has since recorded the entries in its GL and settled the adjustments with the IESO as part of the August 2019 submission.

c) Page 20 explains that the above issues did not affect the 2016 balance even though Brantford Power used the posted final GA rate instead of the GA rate calculated using the IESO invoice. Brantford Power stated that this was a reasonable source for GA pricing and that any differences were not material.

   i. Please clarify if the issue did not affect the 2016 balance or if any difference was not material.

BPI Response:

BPI believes the issue affecting the 2017 and 2018 balances related to the final true up process for final consumption at the RPP price difference was not present in 2016 calculations. BPI's prior process was to use the GA posted rate and this was different from the OEB's accounting guidance however is not expected to be material.

ii. Did Brantford Power actually quantify the impact to the 2016 balance? If not, how did Brantford Power determine that the impact was not material, unlike the impact to 2017 and 2018 balances.

BPI Response:

To clarify, BPI believes the 2016 calculations correctly incorporated the final true up process for final consumption at the final RPP price difference. The only process difference present in 2016 would have been the use of the GA posted rate rather than the GA billed rate used in the OEB's accounting guidance template, which was a reasonable assumption and therefore should not require any adjustments to 2016. BPI did not quantify the impact of using the posted vs. billed GA rate for 2016.

d) In Brantford Power's 2019 IRM, Accounts 1588 and 1589 were incorrect due to errors from data provided its third-part operational data store provider. Please explain whether this had any relation to the CIS and reports noted above.

BPI Response:

The errors in accounts 1588 and 1589 previously identified in BPI's 2019 IRM (EB-2018-0020) were a result of erroneous data being provided to the CIS from a third-party operation data store provider. As such the CIS report was generated based on inaccurate data. The issue with the reports noted above is associated with BPI's new CIS and has since been resolved. To clarify the report issue noted above was related to the timing of the production of the report not related to inaccurate data.

B-Staff-8
Ref 1: Brantford Power, IRM Application, Page 14 – Table 1.5.6-D
Ref 2: Brantford Power, GA Appendix A, Page 14

a) In the Table 1.5.6-D, the Account 1588, 2018 adjustment due to the new accounting guidance is $917,045. In the Reconciliation of Account 1588 table in Appendix A, there is an adjustment of $953,855 for "Adjustments due to Accounting Guidance for 2018" and another adjustment of ($36,809) for the "True up of CT1142", the two adjustments sum to $917,045. Please clarify whether the $36,809 true up is for the normal year-end RPP settlement true up as alluded to in Appendix A #3di or were they a result of the review of the new accounting guidance.

BPI Response:

The ($36,809) true up is for the normal year-end RPP settlement true up as included in Appendix A #3di, the amount for the 2018 Accounting Guidance True up and the normal 2018 year-end true up were summed together in error in Table 1.5.6-D on page 14 of the Managers Summary. The Table 1.5.6-D should have been as follows in IR-Table-3 (NOTE: the updates are included in *italics*):

IR-Table-3 – updated 1588 variance calculation

Description	Impact on 1588	
	Debit	Credit
2017 Difference between BPI's true-up and the OEB accounting Guidance True-ups	666,597	
2018 Difference between BPI's true-up and the OEB accounting Guidance True-ups	*953,855*	
True up of CT1142		*(36,809)*
November 2018 True-up of RPP vs Non-RPP	27,816	
December 2018 True-up of RPP vs Non-RPP		(75)
	1,611,384	

b) In Table 1.5.6–D, the adjustments for November and December 2018 Power Purchased True-ups with the IESO sum to $27,741. In the Reconciliation of Account 1588 in Appendix A, there is an adjustment of $27,741 for the "True Up of RPP vs. Non-RPP".

i. Please confirm that these are the same adjustments to split CT 148.

BPI Response:

The amounts identified in table 1.5.6-D are the same adjustments as identified in the reconciliation of account 1588. They are just split out by the month the true-up related to as a debit of $27,816 pertaining to the November 2018 true up and a credit of ($75) pertaining to the December 2018 true up. This is the same adjustment that was identified to CT 148 as the credit to 1589 was identified as reconciling item 1b in the GA analysis work form. See the updated Table 1.5.6-D above in response to

part a) for an updated description of the true-ups consistent with the reconciliation of Account 1588 in GA Appendix A for clarity.

ii. If they are not the same adjustment, please explain the difference and why they are for the same amount

BPI Response:

N/A – the adjustments mentioned in question b) above are the same adjustments.

B-Staff-9
Ref 1: Brantford Power, IRM Application, Pages 14, 17
Ref 2: Brantford Power, GA Appendix A, #1, #5b
Ref 3: IRM Rate Generator, DVA Continuity Schedule

To determine the appropriate Account 1588 principal adjustments for 2018, please review and complete the following table, making any adjustments needed in consideration of the questions below.

		Recorded in GL	Recorded in DVA Cont Schedule in 2019 IRM	Is Adjustment in DVA Cont Schedule a Reversal in 2020 IRM?	Explanation
2016	Transactions	632,566	632,566		
	Adj - remapping GA/COP		(371,340)		
	Adj - IESO Settlement		375,315		
	Ending 2016 Adjusted Transactions	632,566	636,541		
2017	Transactions	(798,434)	(798,434)		
	Adj - per decision		(279,884)		
	Adj - IESO Settlement	375,315			
	Adj - 2017 YE true up		(127)		
	Ending 2017 Adjusted Transactions	(423,119)	(1,078,445)		

		Recorded in GL	Recorded in DVA Cont Schedule in 2020 IRM
2018	Transactions	(585,514)	(585,514)
	Adj - remapping GA/COP	(371,340)	0
	Adj - 2017 new accounting guidance		666,597
	Adj - reversal of 2017 YE true up		0
	Adj - 2018 new accounting guidance		953,855
	Adj - 2018 CT 148 true up		27,741
	Adj - 2018 CT 1142 true up		(36,809)
	Ending 2017 Adjusted Transactions	(956,854)	1,025,870

BPI Response:

IR-Table-4 – Completed table from B-Staff-9

		Recorded in GL	Recorded in DVA Cont Schedule in 2019 IRM	Is Adjustment in DVA Cont Schedule a Reversal in 2020	Explanation

				IRM?	
2016	Transactions	632,566	632,566		
	Adj - remapping GA/COP		(371,340)	No	1
	Adj - IESO Settlement		375,315	No	2
	Ending 2016 Adjusted Transactions	632,566	636,541		
2017	Transactions	(798,434)	(798,434)		
	Adj - per decision		(279,884)	No	2
	Adj - IESO Settlement	375,315		No	2
	Adj - 2017 YE true up		(127)	No	1
	Ending 2017 Adjusted Transactions	(423,119)	(1,078,445)		

		Recorded in GL	**Recorded in DVA Cont Schedule in 2020 IRM**
2018	Transactions	(585,514)	(585,514)
	Adj - remapping GA/COP	(371,340)	0
	Adj - 2017 new accounting guidance		666,597
	Adj - reversal of 2017 YE true up		0
	Adj - 2018 new accounting guidance		953,855
	Adj - 2018 CT 148 true up		27,741
	Adj - 2018 CT 1142 true up		(36,809)
	Ending 2017 Adjusted Transactions	(956,854)	1,025,870

Explanations from table above:

1. The reversal of these amounts were not included in the 2020 IRM continuity as a reversal because they had been excluded from the transactions and therefore BPI did not identify these as principal adjustments in the continuity schedule to avoid reversing the adjustment twice. This is explained further in the response to part a) of this question.
2. BPI had reversed these amounts from its 2017 transactions in its 2019 IRM proceeding because the amounts had been recorded in the 2017 GL. What is recorded in in BPI's 2019 Transactions is as follows in IR-Table-4.1:

IR-Table-4.1 – 2017 1588 GL Transactions Illustration

2017 1588-Transactions	
Normal Activity	(703,003)
Add: 2017 Principal Adjustment	279,884
Less: 2016 Principal Adjustment	(375,315)
Total Activity in GL	(798,434)

Below in table IR-Table-4.2 is BPI's approved principal adjustments from its 2019 IRM application with the explanation of why their reversals are not recorded as principal adjustments in its 2020 IRM.

IR-Table-4.2 – BPI's approved adjustments from its 2019 IRM with explanation

Principal Adjustment Column	Description of Adjustment	1588	Year Adjustment made in G/L	Reason for no reversing principal adjustment in continuity schedule for 2018
AL - Principal adjustments for 2015	ODS Data Correction - Remapping GA/CoP	$ -	2018	
AL - Principal adjustments for 2015	ODS Data Correction - IESO settlement	$ (279,884)	2017	No Adjustment required to 2018, was all completed in 2017
Sub-total 2015		**$ (279,884)**		
AV - Principal adjustments for 2016	ODS Data Correction - Remapping GA/CoP	$ (371,340)	2018	Was excluded from 2018 transactions, not separately identified as reversing principal transaction in 2018
AV - Principal adjustments for 2016	ODS Data Correction - IESO settlement	$ 375,315	2017	No Adjustment required to 2018, was all completed in 2017
Sub-total 2016		**$ 3,975**		
BF - Principal adjustments for 2017	December 2017 True up	$ (127)	2018	Was excluded from 2018 transactions, not separately identified as reversing principal transaction in 2018
Sub-total 2017		**$ (127)**		
Total of all adjustments to Principal		**$ (276,036)**		

a) On page 17 of the Manager's Summary, Brantford Power indicates that it made principal adjustments in 2018 relating to 2016 and 2017 balances. The reversal of these adjustments are included in the transactions of 2018. Appendix A #1 shows transactions of ($585,514) for Account 1588, which agree to the transactions in the DVA Continuity Schedule. However, in Appendix A#1, the ($585,514) is shown separately from the principal adjustments. This appears to conflict with the statement in the Manager's Summary. Please provide a breakdown of the transactions, principal adjustments and principal adjustment reversals included in the ($585,514) and revise the above table as needed. Note that transactions should only include the activity in the year and no adjustments.

BPI Response:

BPI did not include any principal adjustments or principal adjustment reversals in the transactions of ($585,514) as stated on page 17 & 18 of the managers summary the amount represented in cell BD of tab 3 in the 2020 rate generator model in the amount of ($585,514) is the true 2018 transactions. BPI chose to leave the 2016 and 2017 adjustments out of the transactions to show the true 2018 activity in account 1588 rather than have the transactions amount include the reversal of the 2016 and 2017 adjustments and then showing them being removed in the principal adjustments column. An illustration of BPI's 2018 1588 GL is shown below in IR-Table-4.3.

IR-Table-4.3 -2018 GL 1588 Illustration

2018 1588-Activity	
Regular Activity	(585,514)
Adj - remapping GA/COP	(371,340)
Adj - 2017 YE true up	(127)
Total Activity in GL	(956,981)

b) In Appendix A, #5b it shows $0 of principal adjustments for Accounts 1588 and 1589 in 2015. However, in the "Year Adjustment made in G/L" column, it shows 2018 and 2017. Please explain what adjustments were made in the GL and the amounts for these adjustments. Please explain whether they should be principal adjustments to the 2018 balance in the DVA Continuity Schedule.

BPI Response:

BPI proposed the following adjustments in its 2019 IRM application however they were not approved and as such were removed from the continuity schedule and were reversed the transactions out of the GL. Since the 2015 ODS data correction – Remapping GA/CoP was made in 2018 the correction was reversed in the same year the amount was not included in the transactions or the principal adjustments. Since the adjustments were never included in the continuity schedule BPI felt it appropriate to exclude the reversal entries from the 2020 continuity schedule to ensure the 1588 balance reported is accurate.

c) In Appendix A, #5b, Brantford Power provided a table showing the principal adjustments approved in its 2019 rate proceeding for 2017 balances. In Brantford Power's 2019 decision, the OEB ordered an adjustment of ($279,884) to the Account 1588 2017 balance. Please confirm that this should be included in the table in Appendix A #5b. Please explain when the ($279,884) was recorded in the GL and whether a principal adjustment is needed in the 2018 balance in the DVA Continuity Schedule.

BPI Response:

This adjustment of the overpayment to the IESO in July of 2015 was recorded in BPIs GL in 2017, BPI included this as a credit of ($279,884) to the 2017 "Principal Adjustment" column in its 2019 IRM application and balanced the continuity schedule by entering a debit in its 2017 "Transactions" which is when the adjustment was recorded in the GL.

Since this amount was not recorded in the 2018 GL BPI does not see it to be appropriate to record this amount as a principal adjustment in its 2020 IRM as the DVA continuity schedule is already balanced.

However, due to what was explained above this adjustment should have been included in the table in the response to #5b in GA Appendix A of the original 2020 IRM application. The updated table is below in IR-Table-4.4:

IR-Table-4.4 – Updated table in response to #5b in GA Appendix A

Principal Adjustment Column	Description of Adjustment	1588	1589	Total	Year Adjustment made in G/L
AL - Principal adjustments for 2015	ODS Data Correction - Remapping GA/CoP	$ -	$ -	$ -	2018
AL - Principal adjustments for 2015	ODS Data Correction - IESO settlement	$ (279,884)	$ -	$ (279,884)	2017
Sub-total 2015		**$ (279,884)**	**$ -**	**$ (279,884)**	
AV - Principal adjustments for 2016	ODS Data Correction - Remapping GA/CoP	$ (371,340)	$ 371,340	$ -	2018
AV - Principal adjustments for 2016	ODS Data Correction - IESO settlement	$ 375,315		$ 375,315	2017
Sub-total 2016		**$ 3,975**	**$ 371,340**	**$ 375,315**	
BF - Principal adjustments for 2017	December 2017 True up	$ (127)	$ (537)	$ (664)	2018
Sub-total 2017		**$ (127)**	**$ (537)**	**$ (664)**	
Total of all adjustments to Principal		**$ (276,036)**	**$ 370,803**	**$ 94,767**	

d) In Appendix A, #5b, there is a principal adjustment of $371,340 made to 2016 in the DVA Continuity Schedule that was recorded in the GL in 2018. Please explain why there is no reversing principal adjustment for the $371,340 in the 2018 balance in the DVA Continuity Schedule.

BPI Response:

The adjustment of ($371,340) was removed from the 2018 transactions as shown above in response a) in IR-Table-4.3 - 2018 GL 1588 Illustration. This allowed BPI to enter the transactions that related solely to 2018 in cell BD28.

e) Please explain why there is no reversal for the 2017 year-end true up in the 2018 balance in the DVA Continuity Schedule.

BPI Response:

The adjustment of ($127) was removed from the 2018 transactions as shown above in response a) in IR-Table-4.3 - 2018 GL 1588 Illustration. This allowed BPI to enter the transactions that related solely to 2018 in cell BD28.

B-Staff-10
Ref: Brantford Power, GA Analysis Workform

In the reconciling items for Account 1589:

a) 2a and 2b state that Brantford Power accrues unbilled revenue based on actual billings and no unbilled to actual revenue differences are identified. Reconciling item 8 of $484,889 is for an over estimation of unbilled revenue at year-end related to GA. These two statements conflict. Please explain Brantford Power's approach to unbilled revenues. Please explain why reconciling item 8 is identified for the current year, but not the prior year.

BPI Response:

BPI's unbilled revenue adjustment at year end is based on actual billings obtained and therefore there are typically no unbilled to actual revenue differences identified.

The issue in reconciling item 8 is not related to the unbilled process itself, rather there was incorrect mapping associated with a manual adjustment for a billing correction.

The overstated unbilled revenue was the result of manual adjustments made for billing corrections which were not picked up in BPI's unbilled revenue calculation as a different billing code was used that was not mapped to the related unbilled revenue account. The amount was overstated in December and recorded in the GL in December and as such it was a reconciling item to 1589 for the same year in which it was recorded. Below in table IR-Table-5 is an explanation of the amount.

IR-Table-5 – Calculation of GA Reconciling item 8

Class A GA Unbilled Revenue recorded in GL for Dec 2018	$ 1,469,787.27	A
Class A GA Billed in January 2019 for Dec 2018 per BL6700	984,897.75	B
Difference - Overstated Unbilled Revenue	**$ 484,889.52**	C=A-B

b) Please provide the calculation of the loss factor difference for reconciling item 7.

BPI Response:

The variance between the loss factor used for billings (based on 2017 COS) and the calculated actual losses is calculated by determining the Non-RPP consumption, Class B excluding losses by dividing the consumption in column I on the GA Analysis Workform by BPI's loss factory from its 2017 COS of 1.0320. This consumption excluding losses is then multiplied by BPI's actual line loss calculation, the variance in kWh is then multiplied by the monthly posted GA rate. Below in IR-Table-5.1 is the calculation:

IR-Table-5.1 – Calculation of GA Reconciling item 7

Loss Factor Calculations - 2018														
		January	February	March	April	May	June	July	August	September	October	November	December	Total
Total for Non-RPP Class B customers (including losses)	A	30,638,604	25,564,989	27,683,302	29,242,181	27,981,886	39,614,123	33,220,810	27,278,221	26,185,660	29,583,132	27,071,287	23,171,928	347,236,124
Loss Factor - as per 2017 CoS	B	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320
Non-RPP consumption, Class B, excluding losses	C=A/B	**29,688,569**	**24,772,276**	**26,824,905**	**28,335,447**	**27,114,231**	**38,385,778**	**32,190,708**	**26,432,384**	**25,373,702**	**28,665,826**	**26,231,868**	**22,453,419**	**336,469,113**
Loss Factor - actual as per line loss calc	D	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	1.0228	
Non-RPP consumption, Class B, at actual loss factor	E=C*D	**30,365,469**	**25,337,084**	**27,436,513**	**28,981,495**	**27,732,435**	**39,260,974**	**32,924,656**	**27,035,043**	**25,952,222**	**29,319,407**	**26,829,954**	**22,965,357**	**344,140,608**
Loss Variance - kWh's	F=A-E	273,135	227,905	246,789	260,686	249,451	353,149	296,155	243,178	233,438	263,726	241,333	206,571	3,095,516
GA Posted Rate	G	0.06740	0.08170	0.09480	0.09960	0.10790	0.11900	0.07740	0.07490	0.08580	0.12060	0.09860	0.07400	
Loss Variance - $'s	H=F*G	**18,409.29**	**18,619.83**	**23,395.61**	**25,964.34**	**26,915.75**	**42,024.75**	**22,922.36**	**18,214.03**	**20,028.99**	**31,805.31**	**23,795.45**	**15,286.29**	**$ 287,381.99**

c) Please provide further details on reconciling item 10 for the June 2019 billing corrections.

i. Please confirm that the Class B customer was overbilled in 2018 and the correction was made in the GL 2019.

BPI Response:

Correct, the billing periods affected were from August 2018 through to April 2019, the correction was made when it was identified in June of 2019. The reconciling amount in item 10 is the portion related to the difference between what should have been billed and what was actually charged for the 2018 consumption only. This billing correction was included as a reconciling item because the correct consumption was included in the GA analysis workform which resulted in the requirement for the billing adjustment to be recognized as a reconciling item.

ii. Please explain what the net Class A = $0 is referring to.

BPI Response:

The billing adjustment in question was associated with two related accounts, one of which was Class A and one Class B. The Class A account was billed for Global Adjustment based on Class B treatment and vice versa.

Class A customers are billed based on a consistent PDF factor for the full year and the correct PDF factor was applied to the wrong customer's bill. There therefore was no GA Class A variance associated with Class A billings.

The customer that was Class B should have been billed based on kWh usage in the month, however this treatment was applied to the customer that was meant to be Class A. As a result the class B Global Adjustment billings were based on the wrong number of kWh, creating a variance.

Please see the illustration below in IR-Table-5.2:

IR-Table-5.2 – Illustration of net Class A= $0

Customer (Correct Classification)	Class A	Class B	Total
PDF	0.00000300	No PDF	
kWh	300,000	250,000	
Correct billing	$34,000 (allocation of Class A associated with 0.000003 PDF)	250,000 kWh x10c/kWh =$25,000,	
Actual Billing	300,000 kWh x 10c/kWh = $30,000	$34,000 (allocation of Class A associated with 0.000003 PDF)	
Billing Correction Required- Total	$4,000	($9,000)	($5,000)
Billing Correction Required- Class A	$34,000	($34,000)	$0
Billing Correction Required- Class B	($30,000)	$25,000	($5,000)

B-Staff-11
Ref 1: Brantford Power, IRM Attachment A, page 11
Ref 2: Brantford Power, IRM Attachment A, page 39

Brantford Power indicates that it is currently operating out of three facilities leased from the City of Brantford: 84 Market Street, 220 Colborne and 400 Grand River. As indicated in reference 2, Brantford Power intends to move all of its operations to the new facility at 150 Savannah Oaks in early 2020.

a) For each of the three locations, please indicate when the term of the lease is set to expire.

BPI Response:

The lease is set to expire on December 31, 2021 for all three locations.

b) For any lease that expires after Brantford Power's move to 150 Savannah Oaks in early 2020, is Brantford Power able to terminate the lease(s) early or is Brantford Power expected to continue to make lease payments?

BPI Response:

BPI is able to terminate the leases upon 6 months' notice.

i. If Brantford Power is expected to continue to make lease payments until the expiry of the lease(s), what will Brantford Power do with the facility it continues to make lease payments for?

BPI Response:

BPI will not be making lease payments until the expiry of the leases, rather BPI intends to terminate each of the leases at different points during 2020. To clarify, not all staff will be moving to Savannah Oaks in early 2020. The Operations areas will be moving later in the year as a greater level of construction is required to enable their occupancy of the facility.

B-Staff-12
Ref: Brantford Power, IRM Attachment A, Page 21

Brantford Power indicates that at one point in its selection process it investigated 20 existing buildings, 19 greenfield/brownfield properties and 16 "off-market" properties.

a) Were 150 Savannah Oaks and Garden Avenue the only two properties to meet Brantford Power's requirements? If no, what other properties were considered?

BPI Response:

There were no properties which fully met all of BPI's requirements; however 150 Savannah Oaks and Garden Avenue were two which met the highest priority criteria.

BPI's search was initially focused towards purchasing and refurbishing an existing building. The expectation of faster time to occupancy was the driver behind this preference. This approach was also consistent with the customer preferences identified in BPI's customer consultation in 2016. After reviewing the listing of properties, BPI requested that AEOM undertake additional due diligence on Savannah Oaks and another facility at 435 Elgin Street.

The Elgin Street facility did not meet the minimum office space requirement and would require some further consolidation of office space as well as deferring the goal of co-locating with BPI's affiliates(as some of the office space was subject to an existing lease). Most importantly, the outdoor space at the existing facility was insufficient to meet BPI's minimum needs. The severance and purchase of an adjacent property (not listed for sale) would be required in order to accommodate BPI's yard space requirements, and the feasibility of the facility would be dependent on interest from the owner of the neighbouring land in a sale. The existing yard was 1.6 Acres and an additional 2.5 Acres would have been required. The number of critical risks associated with this option was too high. The property at Elgin Street was therefore not pursued any further.

b) Please provide a comparison of advantages and disadvantages of 150 Savannah Oaks and Garden Avenue as well as any other properties identified in part a).

BPI Response:

BPI has provided the following IR-Table-6 summarizing the advantages and disadvantages of the options considered.

Please note, BPI's search for a new location was a multi-year process, and some options were investigated to different degrees as BPI had to make choices based on the best information available at the time. It is not possible or practical to accurately forecast the cost and details of each option at the outset of a search. BPI made the most such progress with the 150 Savannah Oaks location, followed by the Garden Avenue location.

IR-Table-6 – Advantages and disadvantages per location option

	Elgin Street	Garden Avenue	150 Savannah Oaks
Location	**Advantages:** • inside service territory •highway access nearby (4-5 minutes) **Disadvantages:** • further away from Hwy 403 than other options	**Advantages:** •Inside Service Territory •Access to Highway closeby (2 minutes) •open storage permitted **Disadvantages:**	**Advantages:** •Inside Service Territory •Very quick access to Highway (1 minute) •Proximity to large customers **Disadvantages:** •Open storage not currently permitted due to bylaw
Time to Occupancy	**Advantages:** • existing available office space could be made suitable for BPI staff, with some reduction of space needs **Disadvantages:** • Uncertain timing to secure the neighbouring lot--negotiation, municipal severance, legal process would all be necessary before design process for yard could be substantially started. •Require new construction for garage and warehouse; • need to wait for end of existing lease to access full office space	**Advantages:** •available for sale (vs. off-market) • greenfield location means no remediation risk (vs. brownfield) **Disadvantages:** •New construction required for full building, requiring greater time for design, procurement, construction steps. •approvals for waterways, etc required	**Advantages:** •available for sale (vs. off-market) • Office space requires limited refurbishments and can be quickly occupied •existing "TDC" can be updated to **Disadvantages:** •some new construction necessary •severances required for site plan approval •bylaw amendment required for site plan approval

	Elgin Street	Garden Avenue	150 Savannah Oaks
Cost	**Advantages:** •Relatively attractive pricing for office building •lease revenue from existing tenant **Disadvantages:** • Uncertainty of land cost for neighbouring land--unsolicited inquiry could lead to negotiating difficulties •increased costs associated with new build garage •increased costs associated with new build stock room •increased yard costs--neighbouring treed lot would require tree removal, leveling, paving. • deferred ability to share costs with affiliates.	**Advantages:** •Land purchased at a competitive rate. **Disadvantages**: •much higher anticipated price as of Class C estimate. •increased costs associated with all-new build. •increased cost uncertainty associated with a greater degree of construction requirements.	**Advantages:** •Relatively low cost •Low cost per square footage •Opportunity for reduced customer contribution towards land cost from sale of excess land •Opportunity to reduce customer impact from excess office space due to ability to rent some space. •Opportunity for shared service due to space availability • Relatively limited construction means greater cost certainty for total project **Disadvantages:** •Further construction required adds some cost and cost uncertainty. N/A

	Elgin Street	Garden Avenue	150 Savannah Oaks
Size of Lot	**Advantages:** lot size could be adjusted to meet minnimum requirements **Disadvantages:** 60% of the yard space needed requires neighbouring owner to sever and sell land.	**Advantages:** •lot size meets requirements of BPI and Energy+ **Disadvantages:** •Irregularly shaped lot renders some of the lot unusable. •lot size inadequate to meet inside space requirements on one floor, therefore 2-floor design required which increases costs.	**Advantages:** •meets the minimum range adequate for BPI's needs •can accommodate shared services with Energy+ •Portions of lot can be treated as non utility plant, severed and excess can be divested. **Disadvantages:** •lot exceeds the minimum required range, creating investment risk for the shareholder

	Elgin Street	Garden Avenue	150 Savannah Oaks
Size of Office Space	**Advantages:** •Available Office space is close to meeting reduced space requirements from further consolidation of office and deferred occupancy for affiliates • 4260 square feet of office space was currently leased out but would become available at a later time. •Potential for lease income from existing tenant. **Disadvantages:** •Available office space could not meet the BPI minimum requirements even if further space consolidations and deferral of affiliate occupancy were considered; •layout of office space could not be adapted to AECOM concept design; •Limited room for growth or partnership opportunities	**Advantages:** •New design means ability to right-size the facility for BPI's needs • flexibility to right-size the facility space for any affiliate or partnership needs **Disadvantages:** •cost pressure to limit office space limits room for future growth.	**Advantages:** •meets the minimum range adequate for BPI's needs •can accommodate shared services with Energy+ •can accommodate affiliate offices requirements •opportunity to lease excess office space to tenant, minimizing customer cost recoveries on assets used to provide distribution services. • Certain spaces in the building have previously been leased to tenant and have configuration to support this again. • high-quality office furniture included with purchase of building. **Disadvantages:** •increased risk to BPI shareholder as customers would not be contributing to space allocated to commercial leases. •impractical to re-design office configuration to office space specifications set out by AECOM

	Elgin Street	Garden Avenue	150 Savannah Oaks
Size of Warehouse Storage	**Advantages:** • warehouse designed to fit for BPI could be constructed **Disadvantages:** • no existing warehouse space •warehouse construction would add additional cost, time and uncertainty to the project	**Advantages:** •New design means ability to right-size the facility for BPI's needs • flexibility to right-size the facility space for any affiliate or partnership needs **Disadvantages:** • no existing warehouse-- fully new build	**Advantages:** •warehouse storage can be accommodated in existing "TDC" space-- no new construction required. **Disadvantages:** •renovation/refurbishment costs required.
Size of Vehicle Storage	**Advantages:** • garage designed to fit for BPI could be constructed **Disadvantages:** • no existing vehicle storage space •Vehicle Storage construction would add additional cost, time and uncertainty to the project	**Advantages:** •New design means ability to right-size the facility for BPI's needs **Disadvantages:** •no existing garage--fully new build	**Advantages:** •Initially believed vehicle storage could be achieved in existing space **Disadvantages:** •sufficient space for construction of new garages.

B-Staff-13
Ref: Brantford Power, IRM Attachment A, Page 21

Brantford Power notes that it eliminated items from the scope of its project to reduce project costs.

a) Please provide the changes made to the scope and the amount of cost savings achieved.

BPI Response:

The first Class C cost estimate for the Garden Avenue project- construction component only, was returned with a total cost of $29.8M. BPI worked with its project manager and prime consultant to identify adjustments which could reduce the project cost.

At this level of cost, BPI considered the project unaffordable. However, given the lack of adequate existing buildings and lack of interest from the seller of 150 Savannah Oaks, BPI's only option was to construct a new building on empty land. The driver of the cost of the project was by far the construction of the new building. BPI had worked with its prime consultant to determine the requirements for an efficiently operated shared building with Energy+, which was the input leading to the original Class C estimate. As a result, BPI and the prime consultant worked to find the changes to the building which would result in the greatest cost savings at the lowest impact to BPI's ability to operate its business efficiently from the building, recognizing that such changes would reduce building features required for effective business operation as outlined below.

Due to the high level of reductions targeted, some of the changes like the removal of one mechanic's bay and the decrease of the yard and IT room were expected to negatively impact BPI's use of the facility for its core business purposes. Other changes, namely those related to LEED certification, were expected to impact the long-term operating efficiency of the facility itself.

IR-Table-7-Non-Area Scope Reductions to Garden Ave. Construction budget

Non-Area Scope Reductions		
Item	**$ Savings**	
Exterior Enclosures- various changes including wir	$	324,161
Reduce height of storeys	$	163,072
Partition finishes	$	97,843
Features and Paint	$	207,026
Delete LEED Plumbing and Drainage	$	76,779
Remove Geothermal ,replace with other	$	600,000
Remove LEED Commissioning-HVAC	$	107,254
BAS-HVAC Controls (LEED)	$	183,813
LEED allowance	$	77,265
Lighting- LEED Requirements	$	70,000
Reduce 40% of paved area, replace with gravel	$	194,181
Remove Underground Stormwater Storage	$	1,100,000
Remove PV System	$	815,611
remove 1 EV charging station	$	100,000
Delete 1 of 2 Repair Bays	$	301,927
Reduce Warehouse to match repair Bay	$	520,973.00
Reduce IT room size	$	172,222.00
Other space reductions	$	216,624.00
Lower fuelling costs budget	$	139,718.00
Total Quantified Reductions	**$**	**5,468,469**

BPI notes that some of the adjustments listed above were carried forward to the Savannah Oaks location, for instance the removal of the LEED certification. Certain scope changes identified out of necessity to reduce the cost of new construction at the Garden Avenue project would have resulted in reductions in the operating efficiency of the business, for example the reduction to the number of repair bays. These changes did not have the same cost consequences at Savannah Oaks and were determined to be ideal for utility operations and therefore not carried forward (ie: two repair bays are included in the current project scope at Savannah Oaks). Similarly, an adequately sized yard has been incorporated into the design.

B-Staff-14
Ref: Brantford Power, IRM Attachment A, Page 21

As part of its selection process, Brantford Power indicates that it "[…] worked with AECOM to complete further planning on the Garden Avenue property, first for a stand-alone building for BPI, and then for a shared facility with Energy+."

a) Please provide the timeline for Energy+'s involvement with this new facility project.

BPI Response:

BPI purchased the property at Garden Ave in January of 2017. In the months that followed, BPI and Energy+ discussed sharing the facility at this location and the requirements that would need to be considered, leading to an updated AECOM concept design in July of 2017 which incorporated Energy+'s involvement in the facility.

Energy+ provided more detailed input regarding its design specification and needs at the shared facility via BPI's prime consultant for the Garden Avenue project.

A Class D estimate for the project, based on the detailed input from both BPI and Energy+, was used to estimate the costs to be allocated to Energy+ in November of 2017, followed by a Class C estimate issued in March 2018. An initial MOU was signed between BPI and Energy+ in November 2017.

With renewed interest from the seller of 150 Savannah Oaks, a property which BPI had previously pursued, BPI inquired whether Energy+ would be interested in a similar arrangement to Garden Avenue at the existing property. Energy+ confirmed its ongoing support of the joint facilities project in early 2019.

b) What advantages and disadvantages did Brantford Power identify in sharing a facility with Energy+? Please explain the reason for pursuing a shared facility. If cost savings were identified, please quantify the amount of savings.

BPI Response:

The advantages of sharing a facility with Energy+ were considered to be the opportunity to reduce fixed costs and operating costs associated with the building by sharing them with a partner utility, as well as the ability to share the cost of certain core utility support functions which enable improved control and operations service levels. The realization of these cost savings and service improvements would not be possible with any other type of partner organization.

IR-Table-8 below outlines the key areas where these advantages are expected to accrue:

IR-Table-8 – Advantages to Energy+ involvement

Shared Fixed Costs	Improved Service Offerings from Shared Services
•shared yard will be less costly than 2 standalone facilities •shared warehouse will be less costly than 2 standalone facilities •opportunity to share some office space and common areas, reducing excess space	•on-site fueling station •mechanic's bay •opportunity for shared inventory •improved opportunity for emergency assistance •shared functions-operations purchasing, etc.

Formal estimates of capital cost savings have not been calculated on all aspects of the project, partly because the accurate estimation of the comparable "standalone" cost of certain shared spaces and activities would be time- and cost-prohibitive.

BPI has not evaluated the expected level of cost associated with new positions to be shared, however BPI anticipates the sharing of three FTEs with Energy+. At an estimated burdened cost of roughly $100k/ employee and assuming a 50-50 cost sharing mechanism, the savings to either utility would be around $150k annually.

The following savings can be quantified, based on the current (Class D) budget:

As shown in ICM table 22 (IRM Application Attachment A, page 29), $1.7 M of the original purchase cost of the facility has been allocated to Energy+, when considering the allocation of shared and common space. An additional $7.3 M of the construction price has been allocated as well. Of this $7.3M, about $3.5M was associated with the construction of the Energy+ vehicle garage and operations areas, which would not have been required without Energy+'s presence at the new facility. Of the remaining $3.8M, the vast majority of costs would have been required without Energy+'s presence at the facility. Therefore, the capital cost savings are estimated to be up to $5.5M.

BPI did not identify any disadvantages to sharing a facility with Energy+.

c) What input and influence did Energy+ have on the site selection process? In particular, once Energy+ was involved, did Brantford Power pursue a shared facility as a mandatory requirement, or did Brantford Power consider non-shared facility options?

BPI Response:

BPI purchased the property at Garden Avenue prior to scoping the needs of Energy+. Energy+'s involvement in the project began after the site selection process was already complete.

B-Staff-15
Ref: EB-2016-0058, Application, Exhibit 2, Tab 1, Schedule 1, Page 16-17

In Brantford Power's 2017 cost of service application, it identified $574,902 in OM&A savings related to the elimination of facility management and rental fees to the City of Brantford due to moving out of the existing facilities. Brantford Power also identified an increase of $140,106 related to a new facility/project manager.

a) What are the annual OM&A savings Brantford Power expects from moving out of its leased facilities at the time of this application?

BPI Response:

BPI is in the process of updating its budgets for 2020 and forecasts for future years. BPI intends to terminate the lease at each location at a different point in 2020, however the highest-cost lease, at 400 Grand River Ave, is expected to continue for the longest amount of time, as the operational areas will be the final areas to be completed and the re-location of operations functions is expected to be the most complex of the relocations.

As a result the rent savings in 2020 are expected to be $144,197, with the full rent savings of $595,946 occurring in 2021.

b) What is the expected increase in OM&A Brantford Power expects from having a new facility/project manager at the time of this application?

BPI Response:

At the time of the 2017 COS Application, BPI intended to establish a new temporary project manager position to coordinate the short term requirements for the facility relocation project. Upon the completion of the facility relocation, there would be a new ongoing need for a facility manager. At that time, BPI's expectation was that the relocation to 150 Savannah Oaks would require some limited refurbishments to the existing facility in the TDC and office spaces.

For the Garden Avenue project, BPI chose to hire a firm via RFP to provide project management services, as the greater flexibility and expertise would be beneficial to a fully new build project. The firm was hired in 2017 and BPI has been incurring fees since. Portions of the costs which met the criteria for capitalization to the current facility have been treated as capital and capitalized to the 150 Savannah Oaks property. In 2020 BPI anticipates there will be $25,000 in project management fees attributable to BPI OM&A, as well as $87,500 in additional fees associated with the relocation (primarily related to the costs for moving and move management).

BPI is plans to hire a facility manager in 2020 that will also manage the warehouse. BPI estimates roughly $50,000 in OM&A will be incurred annually after allocations to the other tenants which will be booked to non-regulated costs once those tenants have occupied the building. For this reason,

allocations in 2020 to BPI will likely be higher as each tenant is expected to occupy its space for only part of the year.

c) If either parts a) or b) differ from the amounts presented during the 2017 cost of service application, please explain the reason(s) for the difference(s).

BPI Response:

The value of the annual lease payments has changed slightly since the 2017 application (which was prepared in 2015/2016). These changes are related to some small changes in allocation of space at the three locations, as well as inflationary increases.

The original 2017 COS application had anticipated a project manager position which would be converted to a facility manager position once the facility was ready for occupancy. Given the relatively more complicated construction project contemplated at Garden Avenue, BPI chose to procure Project Management services from a firm rather than through an internal position as originally planned in the 2017 COS. BPI issued an RFP for the selection of a firm to perform project management services for the facility relocation project. Some of the costs associated with this project are included with soft costs to be capitalized to the facility, while others are included with 2017-2020 OM&A.

BPI intends to hire a facility manager in 2020 which will also manage the warehouse. The position has changed with the addition of warehouse management duties. The OM&A impact of the facility manager will be reduced vs. the 2017 Application as a result of sharing the facility management time with the other tenants of the building and sharing the warehouse manager time with Energy+.

d) Are the facility/project manager expenses identified in part b) allocated between all tenants of the new facility? If yes, please provide the calculations showing Brantford Power's portion. If no, why not?

BPI Response:

The project manager costs capitalized to the facility will be allocated among the tenants via their capital leases, based on their respective proportion of the exclusive occupied space (summarized below in IR-Table-9).

IR-Table-9-Exclusive Occupied Space Allocation

SQUARE FEET ALLOCATION (WITH SHARED SEPARATE)			
Occupant	**Exclusive**	**%**	**% of Space Occupied**
BPI	51,849	39.4%	53.78%
E+	14,229	10.8%	21.24%
BHI	3,154	2.4%	2.73%
Shared - E+/BPI	20,632	15.7%	
Shared - All	15,957	12.1%	
Tenant 3	25,718	19.6%	22.25%
Totals	131,539	100.0%	100.00%

The OM&A component of the Facility/Warehouse Manager will be allocated as well. The position will require time docketing and the cost of time spent will first be allocated between General Facility and Warehouse. The warehouse manager time will be recovered via a shared services agreement with energy+ based on appropriate cost drivers, while the facility management time will be allocated among tenants on the basis in the table above.

Project Manager costs which are not eligible for capitalization in 2017, 2018, 2019 and partially in 2020 will not be recovered from any party as and recovery from tenants would not be available prior to the tenants' occupancy of the facility. To be clear, these costs will not be funded via distribution rates either as the current distribution rates do not include any provision for any such costs.

e) Please explain why Brantford Power has not proposed using any net OM&A savings from parts a) and b) to offset the revenue requirement of the ICM request.

BPI Response:

BPI understands that changes in OM&A are not eligible for ICM treatment.
Further, BPI believes the rate treatments proposed strike a fair and balanced allocation of risks and benefits between the regulated and non-regulated component.

BPI notes that based on current forecasting, there are no net OM&A savings expected. In 2020, the net OM&A impact associated with the facility, after allocating building expenses to the tenants (affiliates, Energy+ and first floor tenant), will be an increase of $566,012. In 2021, the net increase is expected to be $10,858.

BPI does not anticipate there will be net savings in 2020 and 2021 as a result of the move to the new building for the following reasons:

• Full savings from leases will not materialize until 2021 as leases will continue to be necessary for part of 2020.

• Increases to OM&A are expected from the requirements to operate and maintain the facility. These include utilities, property taxes, maintenance costs, landscaping and snow removal. BPI has already begun to incur these OM&A costs however it is expected they will increase once full occupancy is achieved. BPI intends to share the OM&A costs with its tenants via appropriate allocations mechanisms.

•BPI expects to incur transitional costs throughout 2020 related to the facility relocation costs and other implementation costs. These are one-time costs required to achieve a steady state of operating conditions. The costs in 2020 would be associated with planning and facilitating the move of staff and equipment into the new facility.

BPI's next COS Application- currently anticipated for 2022 rates, will incorporate the new "steady state" OM&A costs.

In summary, BPI believes the OM&A changes are out of scope for the ICM process. BPI has incurred OM&A costs to date which are not funded in its rates. BPI has proposed several other mechanisms for the reduction of revenue requirement. The ICM model itself mandates reductions to revenue requirement via the application of the threshold test.
BPI believes it would be harmful to make further reductions to the revenue requirement as a result of the existing proposals. Lastly, there are no anticipated net OM&A savings expected for the years that the ICM funding is expected to be in place.

B-Staff-16
Ref 1: EB-2016-0058, Application, Exhibit 2, Tab 1, Schedule 1, Page 17
Ref 2: Brantford Power, IRM Attachment A, Page 24

In Brantford Power's 2017 cost of service application, the net revenue requirement of the new facility is $889,304. OEB staff notes that the new facility identified in the 2017 cost of service application is also 150 Savannah Oaks, albeit without the inclusion of Energy+ as a tenant. The current application calculates the revenue requirement of the new facility to be $1,355,062

a) Please explain the increase from $889,304 to $1,355,062 in annual revenue requirement.

BPI Response:

Please see the response to B-Staff-17 for an explanation of the overall project cost changes between the budget considered in the 2017 COS and the current budget.

The impact of these changes, along with changes to the proposed rate treatment, are demonstrated in the chart below, and can be summarized in to the following categories:

- Increased overall project cost as a result of the budget changes identified in B-Staff-17
- Increased allocation of property value to be severed.
- Offsetting decrease as a result of allocations of project capital cost to tenants, proposed to be recorded as non-regulated capital
- Impact of the ICM threshold reduces total capital claim in ICM, but not in COS.
- The 2017 revenue requirement included consideration of changes to OM&A and as a result to Working Capital Allowance.
- The rate proposal in the 2017 COS included provision of 124k as revenue offsets from rental revenues which are not proposed in ICM (rather decreases of $12M in capital allocated to BPI have been considered).
- Differences in Depreciation Expense due to project cost and change in useful lives used.
- PILS calculated at NIL in 2017 COS due to CCA impacts, but not in ICM.
- OM&A changes considered in scope for a COS but not for an ICM.

IR-Table-10- 2017 COS vs. 2020 ICM Revenue Requirement for new facility

2017 Revenue Requirement Calculations			**2020 ICM Revenue Requirement Calculations**			2020 ICM Evidence Ref.
Acquisition Cost	$ 10,800,000.00		Acquisition Cost	$	11,550,000.00	table 17
			Purchase feees (land transfer, etc)	$	245,020.00	(included in Land and building in Table 16)
Building Refurbishments	$ 4,474,635.00		Construction, Soft Costs, Permits and Fees	$	19,714,948.00	table 16
Capitalized Wages	$ 100,714.00		*(capitalized wages are included above)*			
Total	**$ 15,375,349.00**		**Total**	**$**	**31,509,968.00**	
Acreage to be sold	5.00		Acreage to be sold	$	13.90	table 17
Less: Excess Land	-$ 625,000.00		Purchase Cost allocated to Severable Land	-$	3,124,917.77	table 17
Net Building	$ 14,750,349.00		Facility Project Less value of Severable Land	$	28,385,050.23	Table 16
			Less: Project Budget Allocated to Tenants	-$	12,666,905.00	Table 22, sum of non-BPI totals
			Building Budget Allocated to BPI (excl non building FF&E)	$	15,718,145.23	
			Total FFE	$	851,000.00	
			Less FF&E included in Building Capital	-$	300,000.00	Included in $19,714,948 from Table 16
			Non-Building FF&E	$	551,000.00	Table 16
			Less FF&E Allocated to Other Tenants	-$	80,500.00	
			Less FF&E Allocation Missing from BPI ICM Claim	-$	55,500.00	mistakenly Omitted from ICM form
			FF&E Allocated in ICM	$	415,000.00	p297 ICM
			Total ICM Project	$	16,133,145.23	p297 ICM
			Less: Amounts over the Incremental Eligible Amount	-$	1,402,424.00	
Net Building	$ 14,750,349.00		Current Incremental Capital Claim	$	14,730,721.23	p297 ICM
Rate Base						
Fixed Asset Opening	$ 14,597,689.00		Incremental Capital	$	14,730,722.00	ICM Model (p298)
Fixed Asset Closing	$ 14,292,369.00		Closing	$	14,372,127.00	ICM Model (p298)
Average Net Fixed Asset	$ 14,445,029.00		Average Net Fixed Asset	$	14,551,424.50	ICM Model (p298)
Working Capital Expenses	$ 406,502.00					
Working Capital Rate	7.5%					
WCA	$ 30,487.65					
Return on Capital	$ 876,464.00		Return on Capital	$	870,728.00	ICM Model (p298)
OM&A New	$ 406,502.00					
Revenue Offsets	-$ 124,080.00					
Depreciation	$ 305,320.00		Depreciation	$	358,595.00	ICM Model (p298)
Income Tax-est.	$ -		Grossed Up PILS	$	125,739.00	ICM Model (p298)
Revenue Requirement	$ 1,464,206.00		Revenue Requirement	$	1,355,062.00	ICM Model (p298)
OM&A Savings (old lease)	-$ 574,902.00					
Net Revenue Requirement	$ 889,304.00					

b) Please quantify any incremental savings from having a shared facility with Energy+ at 150 Savannah Oaks compared to not sharing the facility with Energy+ as proposed in the 2017 cost of service application.

BPI Response:

As discussed in B-Staff-14, there have been several benefits of sharing with Energy+. The cost savings are significant, and are estimated at up to $5.5M, before consideration of operating efficiencies. The increases associated with escalation, improved accuracy of scope, and changes to BPI scope would have occurred with or without the involvement of Energy+, with the exclusion of the requirement to build garage space for Energy +.

B-Staff-17
Ref 1: EB-2016-0058, Application, Exhibit 2, Tab 1, Schedule 1, Page 11
Ref 2: Brantford Power, IRM Attachment A, Pages 23-24

In Brantford Power's 2017 cost of service application, Brantford Power estimated the acquisition cost of the land and building, less 5 acres of land that could be sold, to be $10,175,000 ($10,800,000 - $625,000). Additionally, Brantford Power estimated the building refurbishment costs to be $4,474,635.

In the current application, Brantford Power provides the actual acquisition cost of the land and building to be $8,670,102 and the "Construction, Soft Costs, Permits and Fees" to be $19,714,948.

OEB staff notes that the cost of acquiring the land and building has decreased by $1,504,898 while the construction costs have increased by $15,240,313.

a) Please provide the reason for the increase in construction costs.

BPI Response:

There are several items which have changed between the estimate included in the 2017 COS and the most recent application. These items are outlined below:

Increases for Escalation/Inflation

The assessment completed by AECOM was done in 2015. The construction aspect of the project at 150 Savannah Oaks will occur during 2019/2020, and therefore 4-5 years' construction escalation is required, estimated at 7-9% including escalation into 2020 which is included in the current budget (for escalation between the class D estimate in 2019 and end of construction in 2020). This can explain $700k to $900k of the change in cost. This has been calculated assuming the updated scope of work being the basis for the original concept design in 2015.

Improved Accuracy for Scope of Work

The assessment of the costs at 150 Savannah Oaks used for the 2017 COS Application was completed at a conceptual level and was considered to be a preliminary estimate of space needs. At the time of the 2017 Application, BPI had conducted limited due diligence on the property based on minimal access to the facilities as BPI had not yet purchased the property. As a result, certain assumptions were made which later required corrections, which are outlined below:

Use of TDC for Vehicle Storage, Complexity of Operations Space Requirements

One of the most important changes to the original plan resulted from the assumption that the existing technical component of the building could be easily repurposed to provide vehicle storage. Following the purchase of the facility, further due diligence was conducted with more detailed input from the

Operations team as well as BPI's prime consultant for the Garden Avenue project. This due diligence included a study of the turning radii of the trucks, for example. Through this more detailed analysis, it became evident that the existing "TDC" portion of the facility could not be suited for this purpose and the construction of new garages would be necessary for indoor vehicle storage. The existing TDC includes several load-supporting columns which make it impractical for vehicle traffic and pose a safety concern. The removal of these columns was determined to be cost-prohibitive as the removal would require the installation of complex alternative load bearing infrastructure to maintain the structural integrity of the facility.

The 2015 report also did not reflect the complexity of space required for Operations, including the requirements for specialized meeting spaces, locker rooms and other facilities.

The construction cost (including allocated contingencies, soft costs etc.) of BPI's garage and operations space is $5.89M.

Changes required to Accommodate Tenants/ Partnerships

The existing office space at the facility is in good condition, and the vast majority of renovations completed to this space are unrelated to the occupants, and would be required if BPI were the only occupant of the facility. Therefore there are very limited incremental costs associated with the first floor tenant, BPI's affiliates, or Energy+'s office space, particularly as the previous owner of the facility had rented the first floors to a tenant and therefore this space is already configured for this purpose.

Specialized infrastructure investments required to enable BHI's operation out of the space will be carried out as leasehold improvements by BHI and are not part of the project cost considered in this Application.

The entire cost of $3.55M associated with the construction of the garage and exclusive operations space to be built for Energy+'s use is an increase related to the partnership with Energy+. This figure reflects construction costs and any allocated contingency, escalation, contractor's profit, etc.

BPI notes that the full cost of Energy+'s garage has been allocated to Energy+ and excluded from the amount proposed for ICM treatment for BPI.

Changes Required for Compliance

Additional changes to the scope of the construction have been required as a result of changing AODA and Building code compliance requirements such as the implementation of universal bathrooms and showers in the TDC.

i. If the reason for the increase in construction costs is to accommodate the inclusion of Energy+ and/or other parties as tenants, please explain if the

incremental amount of $15,240,313 is fully allocated to the additional tenants. If it is not fully allocated to the tenants, please explain why not.

BPI Response:

The reason for the increase in construction costs is not solely to accommodate the inclusion of the tenants, in fact the cost to accommodate tenants is relatively limited.

A portion of the increase of $15,240,313 is related to the requirement to accommodate the inclusion of Energy+ and the other tenants. These incremental costs have been allocated to the tenants and are not included in the incremental capital value of $16,133,145 which has been assessed as the BPI portion of the costs. This amount represents the incremental capital for this project to be added to rate base upon BPI's next COS rebasing.

The incremental amounts required to accommodate the tenants include some minimal investments in the office refurbishment, likely totaling an amount below BPI's materiality threshold of $100,000, as well as the entire construction cost allocated to "Energy + Exclusive" category in the existing TDC refurbishment and new Energy+ garage.

These investments are necessary to allow BPI to make efficient use of those spaces, and the benefit of doing so it the ability to allocate the related components of the original facility and property, as well as portions of the construction, refurbishments and project costs to the tenants as well. An estimated total of $ $3,645,472 is associated with the need to accommodate the tenants and a total of $12,666,903 in costs is allocated to the new tenants. BPI's proposed rate treatment enables customers to benefit from the net $ $9,021,431 in cost savings.

The total capital cost of the new facility for Brantford Power was $14,750,349 in its 2017 cost of service application. The current application puts Brantford Power's allocated portion of the total capital cost to be $16,133,146.

b) Please explain why, despite having the acquisition cost of the new property decrease by $1,504,898 from 2017, Brantford Power has an overall higher capital cost.

BPI Response:

The true acquisition cost of the property has increased by $750k, however BPI has proposed to exclude an additional $2.5M of the purchase price from the proposal for regulated capital additions- please see IR-Table-11 below.

IR-Table-11 – 2017 COS Budget vs. 2020 ICM Budget

2017 COS Budget (based on 2015 report)		2020 ICM Budget (based on 2018 Report)	
Property Purchase	$ 10,800,000.00	Property Purchase	$ 11,550,000.00
Less Severed Land	-$ 625,000.00	Less Severed Land	-$ 3,124,917.77
		Purchase feees (land transfer, etc)	$ 245,020.00
Net Purchase Price	$ 10,175,000.00	Net Purchase Price	$ 8,670,102.23

The overall project budget has increased compared to the budget presented in the 2017 COS, which was based on the AECOM report presented in 2015.

BPI notes that the increases listed in B-Staff-17 a) and further budget increases listed below are offset by $12,666,903 in total project costs have been allocated to the tenants and are proposed to be treated as non-regulated capital costs.

In addition to the changes to the construction budget as a result of changes to the project scope of work and escalation set out above in B-Staff-17a) , the following items are also included in the overall project budget.

Improved Accuracy of Budgeting

BPI prepared its budgets in 2015 prior to working with a project manager knowledgeable in construction project and the associated detailed budgeting requirements.

The following items were not included in the 2015 project budget:

$245k in fees to complete the real estate transaction—primarily land transfer tax.

$300k in additional Furniture Fixtures and Equipment for office space. While the facility was sold with the existing furniture, some additional investments will be required to make the space fully functional as the existing communications equipment is in need of repair/replacement.

Capitalized borrowing costs on Work In Process. BPI's initial budget did not consider the ability to capitalize borrowing cost during the construction period, prior to the asset being ready for its intended use. 845k has been budgeted for this purpose. Similarly, BPI had not accounted for the internal time required to bring the asset to its intended use—primarily the cost of internal labour required to provide input into the facility designs. This has been budgeted at $175k.

Secondary Impacts of Scope Changes

As a result of a more complicated and lengthy construction process than initially contemplated, an incremental 132k in project management fees is included in the current capital budget.

Increases to the budgets for contingency, contractor's requirements/Profit and consulting have been added as the price, complexity and duration of the project have increased.

A provision for the Construction Manager was not included in the 2017 COS budget, amounting to $1.47M.

Other

The 2015 AECOM report identified the need for a minor variance related to the bylaw prohibiting outdoor storage at the facility. An allowance of 100k was budgeted for this purpose, however BPI's proposal for outside storage has required a bylaw amendment, which is a more escalated process than a minor variance. An additional $309k budget has been required.

i. If the reason is accommodations made to include additional tenants, please explain why it is more advantageous for Brantford Power to include additional tenants given the added costs. If there are additional cost savings from having additional tenants, please quantify the savings and explain how the savings will be reflected to customers.

BPI Response:

As noted above, any incremental costs associated with the new tenants will result in the benefit of reduced costs associated with the BPI-allocated utility component of the facility. In addition, they will enable future savings and sharing of OM&A expenses.

The savings in OM&A will be reflected in BPI's next COS rebasing application. Please see B-Staff –15 for a further discussion of the expected OM&A future savings and the proposed rate treatments.

B-Staff-18
Ref: Brantford Power, IRM Attachment A, Page 15

Brantford Power notes that it is currently renting parking spaces for staff at the 220 Colborne and 84 Market locations due to parking space limitations. In particular, Brantford Power notes that "The recent sale of one of these lots resulted in BPI struggling to make alternate arrangements for 12+ new spaces, at double the previous cost."

a) Please provide the cost of the current parking arrangements at 220 Colborne and 84 Market.

BPI Response:

The current arrangements cost $20,220 annually.

b) Once Brantford Power moves out of the 220 Colborne and 84 Market locations, please discuss whether Brantford Power has considered using the amounts identified in part a) to offset the incremental revenue requirement of the ICM request. If no, why not?

BPI Response:

BPI has not considered this as the charges are currently treated as expense items and BPI understands that OM&A adjustments are out of scope for ICM applications.

Additionally, BPI notes that it will incur costs at the new facility for the operation and maintenance of the parking and other areas for employees. Also, BPI notes that the current rates (last rebased with the 2017 COS) do not support the full amount of parking paid at 84 Market and 220 Colborne, as the previous parking rates would have been considered in that revenue requirement.

B-Staff-19
Ref 1: Brantford Power, IRM Attachment A, Page 35
Ref 2: Brantford Power, IRM Attachment A, Page 21

Brantford Power notes that the project costs include "Soft costs such as project management, cost consulting, due diligence and legal fees […]" and "A portion of costs from the Garden Avenue project which are related to transferrable work including detailed specifications and designs."

a) Please provide a cost breakdown of each of the soft costs identified above.

BPI Response:

IR-Table-12 below summarizes the soft costs included in the project budget. $485,351 is related to transferred costs, primarily in the design and project management categories.

IR-Table-12 – Building Capital Soft Costs

Soft Costs Included in Building Capital	
Project Management	$ 247,739.24
Due Diligence and Compliance Consulting, Independent Cost Estimating	$ 170,000.00
Legal Fees	$ 93,277.00
Design	$ 326,664.00
Soft Cost Contingency	$ 93,000.00
Internal Labour	$ 175,437.46
Other	$ 1,825.00
Soft Costs included in Capital	**$ 1,107,942.70**

b) Please confirm that the only costs from the Garden Avenue project that have been included in the ICM request relate strictly to work that is transferrable to the current ICM project.

BPI Response:

BPI confirms that the costs transferred from the Garden Avenue project are those costs related to the scoping and design of facility requirements which can be transferred to the current ICM project.
Where applicable, certain costs directly associated with land improvements at Garden Avenue have been transferred to the Garden Avenue land asset. Any remaining costs having no relevancy to the 150 Savannah Oaks project have been removed from capital WIP and expensed in 2018.

As part of their audit procedures, during the 2018 year-end audit, the auditors were required to assess the capital WIP balances along with any other OM&A expenses incurred related to the facility's project any write-offs as part of their audit procedures. In reviewing BPI's capital WIP balances, the auditors assessed the proposed transfer of Garden Avenue related costs to the 150 Savannah Oaks project to confirm such transfers were reasonable and justifiable in the circumstances.

Brantford Power indicates that it bought the 9.9 acre Garden Avenue property in January 2017.

c) What are Brantford Power's plans with the Garden Avenue property that it has purchased?

BPI Response:

BPI has treated the property at Garden Ave as non-utility capital, as BPI has not requested any rate relief associated with this property. BPI intends to treat any gains or losses on the property as non-utility gains/losses.

d) Has Brantford Power included legal and consultant fees related to the purchase and ownership of the Garden Avenue property in the soft costs identified above? If yes, please explain why.

BPI Response:

No, these items have been excluded from the ICM project and instead capitalized any eligible costs with the non-utility land at Garden Avenue.

B-Staff-20
Ref 1: Brantford Power, IRM Attachment A, Page 39
Ref 2: Brantford Power, IRM Attachment A, Page 21-22

The current construction estimate is a Class D estimate. Brantford Power anticipates having a Class C estimate in September 2019.

a) Please provide the status of the Class C estimate and provide the Class C estimate when it is available.

BPI Response:

BPI has received an updated budget from its construction manager, however it is still largely at a Class D level, with the Class C estimate still in progress. BPI will provide the Class C estimate when it is available as requested, along with supporting updates to the project design and the updated estimated square footages per party.

Work on the design and configuration of the facility has continued and some changes have been made to the layout of the second floor office space as well as the Operations space inside the TDC. BPI and Energy+ have agreed to change the design for garage space as a result of an opportunity to reduce garage costs by building one shared garage building instead of two separate garages. The space in shared garage will be delineated between BPI and Energy+. These changes will be reflected with the Class C materials when they are available, including the impact to costs and the impact to space allocations. The total space in the single-building garage will be more than the two separate garages as a result of requirements for circulation. While the garage changes are expected to result in cost savings, it is expected that other areas of the project budget may require offsetting increases.

b) Please discuss the accuracy of the estimated costs and Brantford Power's plans to mitigate any risks.

BPI Response:

As shown in ICM Table 23 in the Application, a significant component of the project costs are already known. As a result of the choice to purchase and refurbish the facility, a smaller proportion of the project budget is subject to change. 67% of the project budget (after reductions for the value of severable land) is based on a budget provided by AECOM at a Class D level of certainty, with an expected accuracy of +/-25%

Brantford Power indicates that its budget for the Garden Avenue project was too low for any firms to bid on its RFP.

c) Has Brantford Power engaged any construction firms for the construction project at 150 Savannah Oaks?

BPI Response:

Yes, BPI has engaged firms for the construction and refurbishment at the Savannah Oaks facilities. With the Savannah Oaks project, BPI took a different approach to the procurement at Garden Avenue. BPI has now chosen to work with a construction manager, which was selected via RFP. The Construction Manager has been awarded a fixed fee contract. The construction manager will be responsible for procuring:

- the Design and Engineering consultants (contract has been awarded);
- sub-contractors; and
- suppliers.

d) Please explain what steps Brantford Power has taken to ensure that it doesn't run into the same problem as the Garden Avenue project (i.e. the budget was too low so that no firms bid on the RFP).

BPI Response:

BPI's selection to purchase and refurbish an existing facility has reduced the level of cost uncertainty, as 33% of the project budget was fixed at the time of the purchase. BPI has also chosen a new approach to the construction process for the facility. Construction Management is a form of contract where a construction firm is hired prior to completion of the design to provide key advice during the design process to facilitate complicated projects and improve schedule adherence.

e) What backup plans does Brantford Power have in the event that it is unable to secure a construction firm due to the same issue as the Garden Avenue project?

BPI Response:

By selecting to work with a construction manager, BPI has received confirmations that the project budget is achievable. A budget, still at a Class D level of certainty, has been recently prepared by the Construction Manager and is in line with the prior Class D estimate.

BPI has somewhat revised its approach to contingencies in the budget. In the Garden Avenue budget, BPI chose to budget a reduced level of contingency to the amount recommended by the project management and prime consultant. In this budget, given the experience with the Garden Avenue project (where successive cost estimates increased by more than the contingency recommended), BPI has budgeted for an a contingency provision.

BPI notes that it has chosen to defer the replacement of the roof at this time in order to reduce project costs. If amounts remain unallocated from the established contingency provision, BPI plans to investigate the replacement of the roof. BPI's consultants have indicated that the issues with the existing roof can be mitigated in the immediate term through increased annual maintenance resulting in the deferral of the full roof replacement for the near to medium term. It would be ideal to complete the roof replacement during the initial office refurbishments in order to minimize disruptions to the

operations of the BPI and its tenants' office staff, and to mitigate additional and ongoing maintenance costs during the period until the roof is replaced.

f) What are Brantford Power's plans in the event that construction is delayed and the new facility is not finished within the original timeframe?

BPI Response:

BPI does not believe it is likely that the facility will not be ready for occupancy within the original time frame. BPI has planned a phased occupancy approach, with the office staff moving first, following the relatively straight forward office refurbishments. BPI's plans have included some "buffer" for unexpected delays.

If any of the spaces are not ready for BPI's occupancy, BPI will maintain the existing leases longer as needed.

B-Staff-21
Ref 1: Brantford Power, IRM Attachment A, Pages 4, 24, 30, 39
Ref 2: EB-2016-0058, Application, Exhibit 2, Tab 1, Schedule 1, Page 17

Tables 11-B and 11-C on page 24 of the IRM application show the costs allocated to Brantford Power as well as the other tenants of the new facility based on the amount of space allocated to each party. The allocation of costs seems to suggest that each party will contribute to the capital of the new building; however, elsewhere in the application (e.g. page 30), Brantford Power makes mention of renting space in the new facility to other tenants.

a) Please explain ownership structure of the new facility and in particular the percent ownership of each party.

BPI Response:

BPI will retain 100% ownership of the facility. Any references to "sharing" with other parties mean through lease, license, rent or shared services agreements.

b) Brantford Power plans to lease the majority of the first floor of its office building to a third tenant, which it has yet to do so.

i. Please clarify the nature of transactions with the third tenant (e.g. lease or sale of facility).

BPI Response:

BPI intends to lease the first floor via a commercial lease. BPI does not intend to sell any component of the facility.

ii. Please explain the transactions that will be recorded for financial accounting and regulatory accounting purposes.

BPI Response:

For financial accounting purposes, Brantford Power will follow IAS 16 (Property, Plant and Equipment) as well as IFRS 16 (Leases), ensuring the financial accounting treatment is consistent with those standards. Land, building, furniture and equipment as well as any costs directly attributable to bringing the assets to the condition necessary for it to be capable of operating in the manner intended by management will be capitalized, consistent with IAS 16. Brantford Power will reduce Property, Plant and Equipment for the Right of Use asset allocated to tenants meeting the lessor accounting criteria of IFRS 16 and record a related long term lease receivable that will be amortized over the life of the lease term. Lease and interest revenue will be recorded during the life of the lease, while amortization will be expensed during the life of the asset.

For regulatory accounting purposes, Brantford Power is treating the transactions consistently with IFRS as no alternative regulatory accounting guidance exists. All financial transactions relating to the first floor tenant will be excluded from rate base and regulated accounts. Revenue associated with the leases will be accounted for in non-regulated revenues, and will not be included with revenue offsets. The portion of capital and operating costs associated with tenant space will be recorded with non-regulated capital and non-regulated expenses accordingly.

iii. Please explain the proposed regulatory treatment of these transactions at Brantford Power's next rebasing application (e.g. revenue offset).

BPI Response:

BPI intends to exclude the capital component of the facility cost that is associated with the first floor tenant from inclusion in Rate Base, similar to the exclusion of that forecasted capital component from the ICM proposal.

As a result, BPI proposes not to include any revenue and expenses relating to the third party lease as a net revenue offset (ie: any proposal including revenue offsets . BPI believes this proposal is fair, as rate payers will not fund the component of the building (via rate base) in their distribution rates.

The third party lease revenues will be used to provide relief from the costs associate with that portion of the building. BPI will carry the risk associated with tenant recruitment and retention, administration of lease, and lease rate fluctuation risk.

c) Brantford Power will also share the new facilities with its affiliates.

i. Please explain the transactions that will enable the "sharing" of facilities (e.g. shared service agreement).

BPI Response:

BPI intends to extend its existing shared services agreements with its affiliates to incorporate the provision of facility lease services.

Capital and operating costs associated with the provision of services and facility assets to affiliates will be assessed and passed on the affiliated companies in compliance with the ARC.

ii. Please explain how the sharing transactions will be recorded for financial accounting and regulatory accounting purposes.

BPI Response:

All capital investments and operating costs associated with the space leased by the affiliates will be recorded in Brantford Power's financial statements. Lease revenue will be recorded for financial

purposes using IFRS 16 (Leases), with separate business units used to track the revenue and expenses associated with the shared space.

For regulatory accounting purposes, the value of the building associated with affiliates will be recorded as non-regulated capital, expenses related to/allocated to the affiliates will be included in non-regulated expenses, and revenues from the leases will be recorded in non-regulated revenues.

iii. Please explain the proposed regulatory treatment of these sharing transactions at Brantford Power's next rebasing application (e.g. revenue offset).

BPI Response:

BPI intends to exclude the shares of OM&A and rate base allocated to its affiliates from the calculation of service revenue requirement. As a result of this treatment, BPI is not proposing to include the lease and shared service revenues from affiliates as revenue offsets.

d) Brantford Power will lease the new facilities with Energy+.

i. Please explain how the lease will be recorded for financial accounting and regulatory accounting purposes.

BPI Response:

Lease and interest revenue will be recorded during the life of the lease, while amortization will be expensed during the life of the asset.

For Financial reporting purposes, BPI will record the lease as a finance lease following IFRS 16 (Leases). Brantford Power will recognize a long term lease receivable and derecognize the property asset for the Right of Use asset allocated to Energy+. Lease interest income will be recorded over the life of the asset in P&L and amortization expense on the asset.

For regulatory accounting purposes, BPI will be consistent with IFRS 16 and is proposing to record the share of capital costs, revenue and expenses relating to Energy+ to non-regulated capital, revenue and expense accounts.

ii. Please explain the proposed regulatory treatment of the lease at Brantford Power's next rebasing application (e.g. revenue offset).

BPI Response:

BPI proposes to exclude the shares of OM&A and rate base allocated to Energy+ from the calculation of service revenue requirement. As a result of this treatment, BPI is not proposing to include the lease and shared service revenues from affiliates as revenue offsets.

e) If other parties own part of the land/building, please explain how the rent price will be determined and how the rental income will be split amongst the owners identified in part a).

BPI Response:

None of the tenants will own any part of the land/ building. BPI will be the sole proprietor and receive the full benefit of the rental income.

BPI notes its intention to sell some of the excess land. The proportion of the purchase price associated with the land to be sold has been used to reduce the project budget, including the allocated share of the purchase price to the tenants.

f) If a portion of the costs of the new facility is to be paid off through tenants that pay rent, please explain the treatment of rental income after the cost of the new facility is fully depreciated.

BPI Response:

BPI's approach going forward will be to maintain the costs and the revenues associated with the tenant space as non-regulated items. This treatment would continue if and/or when the facility becomes fully depreciated.

The facility is comprised of various components which have a range of useful lives. While the structure of the facility is likely to endure for many decades, various other components may require replacement earlier at the end of their shorter useful lives (or earlier, requiring early write-offs). Additionally, as the facility gets older, it is likely that there will be an increase in operating, repair and maintenance costs. Building structures are typically assumed to have a useful life of 50-75 years. Towards the end of the structure's useful life, the facility may attract lower market rent.

By proposing to keep the components of the facility being rented as non-regulated costs and revenues, BPI is ensuring that the distribution rates only fund the portion of the costs being used for BPI's utility business going forward. This will be the case when/if the asset is fully depreciated as the rates will be lower as a result of not including any amortization expense from the depreciated asset upon rebasing.

g) OEB staff notes that in Brantford Power's 2017 cost of service application, the approach taken was to include the total capital cost of the new building in rate base, while including a revenue offset to the revenue requirement for the expected rental income from tenants.

   i. Please confirm that Brantford Power's proposed approach in the ICM application is to determine the revenue requirement of its portion of allocated capital and to exclude any rental income received.

BPI Response:

That is correct, BPI's proposal for the ICM is to include only the components of the capital cost which will be used by BPI (including allocations of common and shared space). BPI intends to continue this proposed approach at its next rebasing, adding the BPI components of capital to rate base, and also accounting for the OM&A impacts (after the allocation of tenant related OM&A to non-regulated expenses) at that time when OM&A is part of the scope of the process. In this manner, the customer will not be exposed to any of the risks or costs associated with the elements of the facilities that exceed the requirements for providing distribution services.

ii. Please explain why Brantford Power did not take a similar approach, as that in its 2017 cost of service application, in this application (i.e. include the full cost of the new facility in the ICM request, but reduce the revenue requirement by the expected amount of rental income from tenants.)

BPI Response:

BPI anticipates that the current proposal methodology will allow for a more consistent and stable treatment of building costs going forward. Inclusion of the lease revenues (treated at "interest income" under IFRS 16) as a revenue offset would add uncertainty from one COS cycle to another for both BPI and its ratepayers, as lease revenue would be re-assessed at each COS, and lease rates may fluctuate with market conditions as well as the occupancy/vacancy of the leased space on the first floor. In doing so, BPI has taken on the risk associated with these fluctuations.

iii. Please quantify the revenue requirement that would be requested if the approach in the 2017 cost of service application was used.

BPI Response:

BPI is currently in the process of searching for a tenant for the first floor. The office space was listed as available for lease in August of 2019. Two listings were issued, one for the full space of 25,000 square feet and a second listing with a slightly higher rate for 15,000 of the 25,000 square feet. This arrangement was made to acknowledge that it is unlikely to find a tenant that requires the entirety of the office space.

BPI has not yet received any interest in the listings, and this has been partly attributed to market conditions. In mid-September, there were a total of 57 office listings currently available, with having been 12 leased in the 6 months prior to September. Lease times averaged 8-16 months.

Due to the lack of interest and the large amount of space, BPI has assumed the smaller space will be leased by November 2020. The associated rental revenue for the first floor for 2020 is $16,250.

Considering the full value of the project cost, BPI has evaluated the 2020 Revenue Requirement at $2,551,728.48 and the 2021 revenue requirement at $1,742,720. The difference between the two years is driven by the lease revenue/revenue offsets accumulating for part of the year in 2020 vs. the full year

in 2021. Please note revenue offsets have been calculated on a cash flow basis for the evaluation of any potential revenue offsets, which is not consistent with the IFRS 16 lease treatments.

The calculations consider the updated ICM revenue requirement (with updated ICM threshold calculations, maximum eligible capital, depreciation and CCA). To provide an "apples-to-apples:" comparison to the incremental revenue requirement requested in this Application, OM&A changes have not been considered as in the original ICM proposal.

B-Staff-22
Ref 1: Brantford Power, IRM Attachment A, 23, 35-39
Ref 2: Brantford Power, IRM Application, page 24

Brantford Power purchased 150 Savannah Oaks in February 2019. The facilities are expected to be in use by early 2020. Brantford Power has allocated the purchase price to the various components (i.e. land, building, excess land etc.) based on a third party market valuation of the property. The various components are then allocated to each party based on percentage of space occupied.

a) Please explain the journal entries Brantford Power has recorded to account for the purchase of the land and building, showing the allocation of land, building, excess land as applicable.

BPI Response:

BPI has recorded the facility land and building purchase in Capital Assets- WIP.

i. Please explain how the costs allocated to Brantford Power, third tenant, affiliates and Energy+ is recorded for financial accounting purposes.

BPI Response:

These allocations have not yet been completed, pending further progress on the design of the building, including updated allocations of space and updated costs, as well as finalizing agreements with the various tenants. As this project involves the allocation of many variables, BPI intends to create in its general ledger or project costing system the necessary accounting details to enable a clear reporting of the regulated and non-regulated elements by applicable tenants. Such details are necessary to administer the correct recovery of shared costs.

ii. Please also explain how the costs allocated to Brantford Power, the third tenant, affiliates and Energy+ is recorded for regulatory accounting purposes.

BPI Response:

These costs have yet to be allocated but will be treated as non-regulated costs. Consistent with the response above, the costs, room sizes and sharing mechanisms are not yet finalized and these will be key inputs into the final allocations.

b) Please confirm that Brantford Power used the above allocation methodology to determine the amounts recorded in its general ledger. If not confirmed, please explain the allocation methodology used.

BPI Response:

No such adjustments have been made yet, however BPI intends to use the allocation methodology described in the Application to determine the non-regulated allocations of capital and OM&A. BPI intends to use updated pricing, room sizes, etc. to complete these allocations. . As this project involves the allocation of many variables, BPI intends to create in its general ledger or project costing system the necessary accounting details to enable a clear reporting of the utility and non-utility elements by applicable tenants. Such details are necessary to administer the correct recovery of shared costs.

c) Please explain whether Brantford Power has consulted with its auditor regarding the allocation approach and whether the auditor agreed with the approach.

BPI Response:

BPI has consulted with its auditors regarding the appropriate approach to allocating the purchase price of the property. The approach recommended by the auditors has been used to allocate the purchase price of the property, and was reflected in the Application.

The allocation of the space within the building(s) to the parties has not yet been reviewed by the auditors.

d) Please explain whether the percentage of space occupied is subject to change. If yes, will Brantford Power update its allocation calculations based on final percentage of space occupied?

BPI Response:

Yes, the space occupied is subject to change as designs are developed further. BPI has begun receiving updates to space allocations and intends to update its allocation calculations based on the final designs. A recent material change has occurred as a result of further consultations with BPI's Construction Management firm. The design of the garages has been adjusted, with the garage for BPI and Energy+ being combined into a single building to increase cost savings. The overall square footage has increased as a result of this change, however the cost of the combined building is lower than the cost of the two separate buildings originally contemplated. BPI notes there may be other offsetting changes within the next budget iteration.

B-Staff-23
Ref 1: EB-2019-0031, Energy+ 2020 Rates Application, Pages 29-30

Energy+, in its request for ICM funding for the same shared facility that is the subject of Brantford Power's ICM request, notes that any shared spaces will form part of a Shared Services Agreement and will not be incorporated into the ICM request (i.e. Energy+'s shareholders will bear the costs of the Shared Services Agreement until Energy+'s next rebasing application).

Please explain why Brantford Power has not also proposed excluding any costs associated with shared spaces from its ICM request and having its shareholders bear the costs of any shared spaces until the next rebasing application.

BPI Response:

BPI understands that Energy+'s proposed treatment of the shared space area is due to the nature of that space not being eligible for treatment as a capital lease for Energy+. As an ICM is meant to provide rate relief for capital investments, Energy+'s component of the shared space has been assessed not to be eligible for ICM treatment at this time.

BPI, as the owner of the space, is able to treat the cost as capital, and therefore has assessed that the space is eligible for ICM treatment in BPI's case. BPI notes that it has only included the estimated share of the space to be used by BPI for ICM treatment.

B-Staff-24
Ref 1: Brantford Power , ICM Model – Tab 9b. Proposed ACM ICM Projects
Ref 2: Brantford Power, IRM Attachment A, Page 34
Ref 3: Brantford Power, IRM Attachment A, page 7

OEB staff has reproduced the data entered in Tab 9b of the ICM Model in the table below:

Project Descriptions:	Proposed ACM/ICM	Amortization Expense	CCA
Building	$ 15,718,146	$ 362,902	$ 512,384
Furniture/Equipment	$ 415,000	$ 29,833	$ 58,100

OEB staff has also reproduced ICM Table 16 below:

ICM Table 16: Summary Total Project Budget (all tenants)	Projected Cost - Total Building
Construction, Soft Costs, Permits and Fees	$ 19,714,948
Land and Building	$ 8,670,102
Building Capital Cost	**$ 28,385,050**
Furniture, Fixtures and Equipment	$ 551,000
Total Proposed Budget	**$ 28,936,050**

a) Please confirm that the entry for "Building" in the first table includes Brantford Power's allocated portion of "Construction, Soft Costs, Permits and Fees" and "Land and Building" as identified in ICM Table 16.

BPI Response:

BPI confirms that the amount of $15,718,146 as entered in tab 9b of the ICM model is Brantford Power's allocation portion of the total Building Capital Cost of $28,385,050 which includes both the allocation portion of direct "Construction, Soft Costs, Permits and Fees" and "Land and Building." A summary of the allocation is below in IR-Table-13:

IR-Table-13 – Summary of Building Capital cost allocation

Tenant	Total
BPI	**15,718,146**
E+	8,987,792
Affiliates	401,909
Tenant 3	3,277,204
Totals	**28,385,050**

b) Please explain when the "Building" was available for use and when depreciation started.

BPI Response:

BPI intends to occupy the building in 2020 following construction work still to be completed. Depreciation has not yet started, but is intended to begin in 2020.

c) Please provide the calculation and breakdown of the depreciation expense and CCA of each sub-category of items under the "Building" entry.

BPI Response:

BPI's portion of the amortization expense was allocated on the same basis as the costs for each component of the assets. The breakdown for the building amortization expense is shown in IR-Table 14.

IR-Table-13.1 – Building Amortization Allocation

Capital Asset	Component	Annual Amortization	Allocation	BPI Amortization Portion
Land	Land	-	55.37%	-
Building	Structure	333,149	55.37%	184,481
Building	Roof	12,680	55.37%	7,022
Building	Windows, Doors, Finishes, Fixtures, Lighting	31,349	55.37%	17,359
Building	Elevators	1,551	55.37%	859
Building	HVAC	58,605	55.37%	32,452
Building	Fire Protection System	2,865	55.37%	1,587
Building	Parking Lot	19,056	55.37%	10,552
Building	Fencing	7,847	55.37%	4,346
Building	Mechanical/Electrical Site Services	30,619	55.37%	16,955
Building	Other Site development	139,831	55.37%	77,431
Building	Fleet Vehicle Fueling Station	17,803	55.37%	9,859
		655,356		**362,902**

The CCA portion for the building was allocated on the same basis of 55.37% to Brantford Power (55.37% represents the proportion of costs allocated to BPI: $15,718,146/ $28,385,050) . The total CCA was then averaged for the years for which the proposed ICM rate riders would be active 2020 & 2021. The componentized capital additions for CCA Class 1 is below in IR-Table-13.2.

IR-Table-13.2 - Class 1 CCA Componentization

Capital Asset	Component	Useful Life	CCA Class	Total
Building	Structure	45	1	14,991,718.54
Building	Roof	5	1	63,401.67
Building	Windows, Doors, Finishes, Fixtures, Lighting	20	1	626,977.03
Building	Elevators	20	1	31,017.33
Building	HVAC	10	1	586,047.34
Building	Fire Protection System	30	1	85,964.01
Building	Parking Lot	10	1	190,556.25
Building	Fencing	20	1	156,949.10
Building	Mechanical/Electrical Site Services	30	1	918,570.68
Building	Other Site development	20	1	2,796,615.93
Building	Fleet Vehicle Fueling Station	30	1	534,100.00
				20,981,917.88

BPI's allocation and calculation of the allocated CCA for the ICM is shown in IR-Table-13.3.

IR-Table-13.3 - BPI CCA Allocation Calculation

				CCA							
				2020		2021		2022		2023	
CCA Class	CCA Class Description	2020 Additions	CCA Rate	CCA	UCC	CCA	UCC	CCA	UCC	CCA	UCC
1	Building	**20,981,918**	6%	629,458	20,352,460	1,221,148	19,131,313	1,147,879	17,983,434	1,079,006	16,904,428
BPI Portion											
55.37%	Building	11,618,681		348,560	11,270,121	676,207	10,593,913	635,635	9,958,279	597,497	9,360,782
ICM CCA Calcuation		2020	2021								
	Building CCA	348,560	676,207								
	Average		**512,384**								

d) Please confirm that Brantford Power has not included any depreciation expense or CCA to capital attributed to the purchase of land.

   i. If no, please remove the depreciation expense and CCA attributed to the land portion of capital costs and provide an updated ICM model.

BPI Response:

As shown in the response to B-Staff-24 c) BPI has not included any depreciation expense or CCA to capital attributed to the purchase of land.

e) Brantford Power has not incorporated the accelerated CCA in its ICM calculations but proposes to capture the accelerated CCA impact in Account 1592. Please provide a calculation of the revenue requirement using the

accelerated CCA. Please also include a calculation showing the difference in CCA using the CCA rules before and after November 20, 2018.

BPI Response:

BPI did not include the accelerated CCA in its ICM because this impact will be captured the in account 1592, per the OEB's accounting guidance issued July 25, 2019. Rate payers will see any benefits determined to be appropriate by the OEB from the accelerated CCA when account 1592 is reviewed at BPI's next rebasing (including any such benefits which are related to the building). To include the accelerated CCA treatment in the ICM calculations would double-count for the impact of the accelerated CCA, and would pre-judge the outcome of the OEB's intended treatment of any related tax savings. As noted in the accounting guidance, the OEB will make future determinations with respect to the appropriate level of tax savings to be shared with customers (as tax savings are usually shared on a 50% basis), as well as the appropriate mechanisms to account for the timing impacts of the accelerated CCA treatment (as affected assets will be fully depreciated earlier than under regular CCA treatment).

Below in IR-Table-13.4 is BPI's calculation of the impact on the incremental revenue requirement:

IR-Table -13.4 - Revenue Requirement Impact of Accelerated CCA in the ICM

	CCA	Eligible for ICM - CCA	Incremental Taxable income	Grossed-Up Taxes/PILs	Incremental Revenue Requirement	
Unaccelerated CCA*	$ 570,484	$ 520,893	$ 348,748	$ 125,739	$ 1,355,062	A
Accelerated CCA	$ 931,331	$ 850,372	$ 19,269	$ 6,947	$ 1,236,270	B
Impact of Accelerated CCA	**$ 360,847**	**$ 329,479**	**$ (329,479)**	**$ (118,792)**	**$ (118,792)**	**C=B-A**

** As originally filed by BPI*

BPI did quantify the impacts of the accelerated CCA prior to electing to apply for the ICM rates using the unaccelerated CCA average for 2020 and 2021. Below in IR-Table-13.5 is the comparison of the two CCA methods:

IR-Table-13.5 –Accelerated vs. Unaccelerated CCA

				Unaccelerated CCA							
	CCA Class Description	2020 Additions	CCA Rate	2020		2021		2022		2023	
				CCA	UCC	CCA	UCC	CCA	UCC	CCA	UCC
BPI Portion											
55%	Building	11,618,681.04	6%	348,560	11,270,121	676,207	10,593,913	635,635	9,958,279	597,497	9,360,782
56%	Furniture/Equipment	415,000	20%	41,500	373,500	74,700	298,800	59,760	239,040	47,808	191,232
				Accelerated CCA							
	CCA Class Description	2020 Additions	CCA Rate	2020		2021		2022		2023	
				CCA	UCC	CCA	UCC	CCA	UCC	CCA	UCC
BPI Portion											
55%	Building	11,618,681.04	6%	1,045,681	10,573,000	634,380	9,938,620	596,317	9,342,303	560,538	8,781,764
56%	Furniture/Equipment	415,000	20%	124,500	290,500	58,100	232,400	46,480	185,920	37,184	148,736
				Difference							
	CCA Class Description	2020 Additions	CCA Rate	2020		2021		2022		2023	
				CCA	UCC	CCA	UCC	CCA	UCC	CCA	UCC
BPI Portion											
55%	**Building**	**11,618,681.04**	**6%**	**697,121**	**(697,121)**	**(41,827)**	**(655,294)**	**(39,318)**	**(615,976)**	**(36,959)**	**(579,017)**
56%	**Furniture/Equipment**	**415,000**	**20%**	**83,000**	**(83,000)**	**(16,600)**	**(66,400)**	**(13,280)**	**(53,120)**	**(10,624)**	**(42,496)**

f) Please provide details on and justification for the $415,000 "Furniture/Equipment."

BPI Response:

In preparing the response to this Interrogatory, BPI has determined that the amount of $415,000 incorrectly excluded a component of the FF&E budget. An additional $55,000 associated should have been included for a total of 470k. BPI has provided an updated ICM model as IR- Attachment B.

Below in IR-Table-13.6 are the budgeted costs for all of the furniture and equipment, this total amount of $740,000 includes the A/V Equipment and Communications equipment were allocated as part of the core building as in ICM Table 16 reproduced above. Missing from this allocation illustrated below is the allocation of a $111,000 contingency. Combined this makes up the $411,000 difference between this allocation and the FF&E shown in ICM Table 16 reproduced above.

IR-Table-13.6 – Furniture/Equipment BPI Allocation

Furniture/Equipment BPI Allocation				
Office Furniture	75,000.00	100.00%	75,000.00	BPI only
A/V Equipment	150,000.00	50.00%	75,000.00	Shared (BPI/E+)
Appliances	15,000.00	100.00%	15,000.00	BPI only
Communications	150,000.00	50.00%	75,000.00	Shared (BPI/E+)
Racking	150,000.00	50.00%	75,000.00	Shared Service
Mechanics Bay Equipment	200,000.00	50.00%	100,000.00	Shared Service
	740,000.00		415,000.00	

g) Please explain what will happen to existing furniture and equipment currently in use by Brantford Power at the three leased facilities. If Brantford Power is able to reuse or sell any of its old furniture and equipment, please indicate whether this has been used to offset the costs discussed in part f).

BPI Response:

In anticipation of the pending facility relocation, BPI has limited the replacement of furniture and purchase of new furniture, where possible, for some time. The net book value of furniture currently owned by BPI is roughly $15,000, as the vast majority of the furniture has reached the end of its useful life. BPI intends to bring some of the furniture which is not fully depreciated with it to the Savannah Oaks location. For the remaining furniture, BPI will attempt to sell or dispose of the items in a responsible manner, however it is possible that the furniture disposal will be a net cost to BPI, if no buyer can be found and payments for the pickup and disposal are required.

B-Staff-25
Ref: Brantford Power, IRM Attachment A, Pages 20 and 39

On page 20, Brantford Power lists the following minimum space requirements (developed by AECOM) for its new facility:

- Minimum of 6.8 to 8.3 acres of space, depending on the consolidation of outdoor storage needs.
- Minimum square footage of 37,000 square feet
    - Approximately 16,000 square feet of office space,
    - 7,500 square feet for warehouse
    - 13,500 square feet of vehicle storage;

On page 39, Brantford Power provides ICM Table 22, reproduced below, showing the allocation of costs and square footages of the new facility:

ICM Table 22: Fully Allocated Costs and Square Footages

	Initial Purchase Price	Allocated Costs	Total	Sq Feet
BPI	$ 4,356,356	$ 11,361,790	$ 15,718,146	70,747
E+	$ 1,689,779	$ 7,298,012	$ 8,987,792	27,934
Affiliates	$ 259,878	$ 142,031	$ 401,909	3,589
Tenant 3	$ 2,119,069	$ 1,158,134	$ 3,277,204	29,269
Totals	$ 8,425,082	$ 19,959,968	$ 28,385,050	131,539

a) For the 70,747 square feet of space allocated to Brantford Power, please provide a breakdown of the space into: 1) office space, 2) warehouse space, 3) vehicle storage space and 4) if applicable, any space allocated to Brantford Power that does not fit into any of the previous three categories.

BPI Response:

BPI allocated sq ft. from IR-Table-9 shown in B-Staff-15 response d):

SQUARE FEET ALLOCATION (WITH SHARED SEPARATE)					
Occupant	**Exclusive**	**%**	**% of Space Occupied**	**BPI Allocation**	**BPI Sq. Ft**
BPI	51,849	39.4%	53.78%	100%	51,849
E+	14,229	10.8%	21.24%		
BHI	3,154	2.4%	2.73%		
Shared - E+/BPI	20,632	15.7%		50%	10,316
Shared - All	15,957	12.1%		53.78%	8,582
Tenant 3	25,718	19.6%	22.25%		
Totals	131,539	100.0%	100.00%		70,747

The following IR-Table-14 breaks down the space into the requested categories:

IR-Table-14 – BPI Breakdown of the space

	Exclusive	Shared	Common	**TOTAL Square Feet**
Office Space	32,463	0	8,582	**41,045**
Warehouse Space	3,143	10,316	0	**13,459**
Vehicle Storage	16,243	0	0	**16,243**
Other	0	0	0	**0**
TOTAL Square Feet	**51,849**	**10,316**	**8,582**	**70,747**

b) Please explain why Brantford Power chose a property with almost twice as much space as the minimum requirements (i.e. 70,747 vs. 37,000).

BPI Response:

BPI's search for a new facility initially focused on existing buildings available to be repurposed which met the minimum requirements. The options listed for sale at that time failed to offer a combination of the minimum requirements for office, warehouse, garage and yard. BPI explored non-traditional options to meet its requirements such as investigating off-market options and options (like Elgin Street building) which could have been made to meet the requirements under certain risky conditions.

BPI was unwilling to accept options which did not meet these minimum requirements, given that this investment is meant to be a long-term, "once in a lifetime" investment. A compromise in these requirements would restrict BPI's ability to operate its business efficiently now, and likely cause greater problems in the future due to inflexibility and limited ability to accommodate future growth.

Savannah Oaks was the only existing property which BPI determined could meet the minimum requirements to provide a cost-effective solution, however in its initial attempts to purchase the property, BPI was unsuccessful.

Considering the expiry of its existing leases in 2022, BPI purchased the Garden Avenue facility and proceeded with the design of a new building. Working with its prime consultant, the initial stages of designing the space at Garden Avenue required a more detailed needs analysis, with further, in-depth input from BPI staff, including operations staff. The AECOM needs assessment was used as the starting point for this design, but increases to the square footage were determined as necessary for such items as improved circulation in the office space, consideration of building code and AODA compliance, and vehicle garage traffic flow. These space requirements are summarized below in IR-Table-14.1, as compared to the original Space Needs Assessment.

IR-Table-14.1 – Space Requirements Summary

	AECOM Space Needs Assessment(2014)	Garden Ave. Pre-Design Space Requirements
Office	16,000	21,474
Warehouse	7,500	5,866
Vehicle Storage	13,500	18,147
Other		
Total Space- BPI	**37,000**	**45,487**

BPI believes the design at Garden Avenue would have been a more adequate comparator for the detailed space requirements for BPI's detailed space needs; however the cost of that facility was estimated upwards of $32M, with BPI allocated capital amounting to $20,524,701 (compared to $16,143,146 for the current project).

With the Savannah Oaks facility once again available, BPI took the opportunity to achieve overall cost savings despite the increased square footage of the building.

i. Please explain if Brantford Power explored smaller properties during its search for a new facility. Please provide examples and the reasons why the smaller properties were not chosen.

BPI Response:

BPI explored the available options on the market however most of the facilities available did not meet the minimum requirements for both office space and size of lot. Most properties were significantly under BPI's minimum requirements for each type of space. Some came close in office space but not lot size and vice versa. One smaller property which BPI shortly considered is the property at 435 Elgin.

IR-Table-14.2 below shows some of the other properties considered by BPI. The boxes with green colouring indicate that the space meets the square footage levels identified in the Space Needs Report of at least 16,000 square feet of office space and 6.8 Acres of land.

IR-Table-14.2 – Space of Other considerations

Address	Lot Size (acres)	Office Space (square feet
435 Elgin	4.6	18,916
86 Plant Farm Blvd	6.8	6,000
565 West St	2.4	8,160
47 Morton Ave E	5.1	3,211
418 Henry St	4.4	2,615
444 Elgin	2.9	3,830
192 Mary	6.1	6,484

ii. Please explain if Brantford Power considered leasing out additional space at 150 Savannah Oaks (i.e. in addition to the space Brantford Power has already allocated to other tenants in the current application).

BPI Response:

BPI has considered the optimal space allocations in the building. The existing configuration, with BPI, its affiliates, and Energy+ sharing the office space on the second floor, and the full first floor available to be rented to a tenant, maximizes the available space to be rented without incurring high costs for greater partitions.

One key consideration has been that the first floor had previously been leased out by the prior owner and was already configured in a way that would enable a lease—for example the appropriate separation of space and security access, access via a separate entrance, and access to adequate rest room facilities. Additional separation and isolation of space would require costly and disruptive investments such as the introduction of a second set of elevators.

c) In the context of the categories identified in part a), please explain, if any category exceeds the minimum requirements identified by AECOM, the justification for the additional space.

BPI Response:

BPI notes that the space allocations provided by AECOM were based on a concept design plan. In the Space Needs report, included as IR-Attachment E, AECOM identifies the need for further refinements of the design based on BPI's needs.

BPI and Energy+ provided more detailed input on their respective requirements to the prime consultant for Garden Avenue and the result was a different allocation of space based on improved input and more detailed designs.

IR-Table-14.3 – Garden Ave. & Savannah Oaks vs. AECOM Space Needs

	AECOM Space Needs Assessment(2014)	Garden Ave. Pre-Design Space Requirements		150 Savannah Oaks
Office	16,000	21,474	1	41,045
Warehouse	7,500	5,866	2	13,459
Vehicle Storage	13,500	18,147		16,243
Other				
Total Space- BPI	**37,000**	**45,487**		**70,747**
Notes				
note 1	*includes 431 sft in IT room which were included in the initial pre-design based on needs and requirements, but were later reduced in order to save costs*			
note 2	*Includes second repair bay (50%*1097 sft) and warehouse space (50% *1894 sft), which were included in the initial pre-design based on needs and requirements, but were later*			

Office Space:

- Office space allocations in both the AECOM report and the Garden Ave designs are based on a new build scenario. In order to limit construction costs, in both of these scenarios, the office space per employee is minimized in order to minimize construction costs as well.
- The office space at Savannah Oaks is configured in a suitable way with existing furniture, however the space required for BPI's office use exceeds the levels that would have been chosen in a new build scenario. It is most cost-effective for BPI to keep the existing configuration.
- Included in the allocation for office space is 8,600 square feet for BPI's share of the common space including an allocation of the large existing lobby and a cafeteria on the first floor.
- The AECOM Space Needs assessment made a general allowance for circulation, etc. however no special allocations were made for rest rooms, electrical and mechanical, etc.. Some of these requirements have increased in recent years with changes to the building code and AODA. This was one of the drivers for the increase in office space between the Space Needs Assessment and the Garden Avenue Pre-design.

Warehouse:

- The warehouse requirements have been incorporated into the existing Technical Demonstration Centre (TDC) at Savannah Oaks. BPI and its consultants incorporated the requirements for warehouse into the existing space.
- The original warehouse concept design did not include a mechanic's bay, which will enable cost savings and improved operational control.

Garages

- BPI selected to create space for 16 additional small vehicles indoors compared to the initial AECOM Design. This change will enable BPI to better respond to outages and/or emergencies in periods of extreme weather as vehicles will not require de-icing or other such preparations prior to responding.

Notwithstanding the large footprint of the 150 Savannah Oaks facilities, BPI has been careful to concentrate BPI operations and utilization of the facilities in a manner necessary to minimize the footprint attributable to customers. The customer interest were further enhanced by maximizing the opportunities for sharing of the facilities with E+ which further enables the development of additional shared services. Any excess square footage or land has been allocated to non –utility activities fully insulating customers from those elements. As a result, despite the very large property, BPI has effectively configured its new facilities in a manner that provides the most cost effective solution for its customers.

d) Please provide the amount of space in each of the categories identified in part a)

BPI Response:

IR-Table-14.4 below summarizes the space which BPI currently occupies in each of the listed categories. BPI notes that the second column below shows an increased square footage for vehicle storage. In recent years, the amount of space available at 400 Grand River Ave. has decreased, however BPI initially had 12,300 square feet available.

IR-Table-14.4 – Current BPI Space

	Current Leases- City	
	Current	**Previous**
Office	12,017	12,017
Warehouse	7,350	7,350
Vehicle Storage	6,998	11,288
Other		

BPI notes the following items which should be considered when comparing the space at Savannah Oaks with the space leased from the City:

- The three locations have an inadequate level of office space for BPI's current requirements. As a result, some offices meant for one employee have been used by multiple employees (as many as three). Additionally spaces and furniture not intended for use as a desk/office space have been used for these purposes.
- BPI has only 1-2 meeting rooms which it has exclusive access to. 2-3 further rooms are made available to BPI on a first-come, first-served basis, with room availability often being scarce during key points in the work year.

- BPI is planning to increase the number of vehicles to be stored inside at the Savannah Oaks location in order to be able to respond quicker during outages and emergency response circumstances (particularly during winter months).
- The leased space numbers are based on spaces that are shared with City of Brantford departments. The space allocations do not fully account for spaces such as lobbies, hallways, etc which are incorporated into the space allocations at Savannah Oaks.

B-Staff-26
Ref: Brantford Power, IRM Attachment A, Page 5

Brantford Power has opted for fixed monthly rate riders for all classes rather than fixed and volumetric rate riders because it considers the facility cost to be unrelated to load or consumption metrics.

OEB staff notes that when Brantford Power adds the new facility to its rate base at its next rebasing, any revenue requirement from the new facility portion of the rate base would follow standard rate design (i.e. fixed and volumetric rates, with the exception of the residential class). Fixed and volumetric rate riders therefore align more closely with standard rate design.

In light of the above, please discuss the rationale for choosing fully fixed rate riders.

BPI Response:

Given a choice of rate designs, BPI selected the fully fixed rate riders as they would be relatively more straightforward to communicate to customers. BPI did not at that time consider the bill impact at the time of rebasing, and confirms that combination fixed and variable rate riders would be less likely to cause a bill impact.

B-Staff-27
Ref: Brantford Power, IRM Attachment A, page 4

Brantford Power leases three locations from the City of Brantford under a Shared Services Agreement. The existing leases will not be renewed at the end of the agreement at the end of 2021. The new lease standard IFRS 16 came into effect on January 1, 2019. For each of the existing leases:

a) Please explain how they were treated for financial accounting purposes prior to January 1, 2019 (i.e. operating or finance lease)

BPI Response:

Prior to January 1, 2019 in accordance with IAS 17 BPI recorded the leases for its three locations as an operating lease as such, the monthly lease payments were expensed on a straight line basis.

b) Please explain how they were treated for regulatory purposes in Brantford Power's last cost of service proceeding (e.g. included or excluded from rate base)

BPI Response:

The leases payable to the city for the three locations were included as part of the OM&A expenses in BPI's last cost of service proceeding for its 2017 rates (EB-2016-0058) and as such were excluded from BPI's rate base. The lease payments to the city are accounted for in compliance with Article 340 from the OEB's accounting procedures handbook and are allocated across various OM&A accounts.

c) Please discuss and quantify, if possible, the impact of IFRS 16 for financial accounting purposes

BPI Response:

When assessing the lease term under IFRS 16, BPI is required to consider the non-cancellable period of a lease. Due to BPI's ability to terminate the leases with the City of Brantford by providing 6 months' notice and as BPI is reasonably certain it will terminate the leases prior to their expiration, BPI has considered the non-cancellable lease terms to be 6 months. As a result, these leases are considered short-term leases and treated as operating leases consistent with the method used under IAS 17.

d) Please explain whether there is any regulatory accounting impact from IFRS 16 and whether a deferral and variance account would be needed to capture the impact. Please include a discussion on the proposed regulatory treatment of the leases at Brantford Power's next cost of service rate application with consideration of the end of the lease terms.

BPI Response:

Due to the response in part c) above the accounting for these leases has not change as a result of this new accounting standard therefore there is no regulatory accounting impact from IFRS 16 and there is no need for the creation of a deferral and variance account.

The leases for BPI's three locations payable to the City of Brantford will not be included in OM&A or Capital in BPI's next cost of service rate application because BPI will have fully moved into the Savannah Oaks building and will no longer be leasing from the City of Brantford.

B-Staff-28
Ref: Brantford Power, IRM Attachment A, page 31

The 13.9 acres of severable land has been allocated $3.12M in cost. Please explain Brantford Power's regulatory treatment of gain or loss that will arise when the land is sold.

BPI Response:

BPI would include the gain or loss, if any were to arise in non-regulated revenue and expense accounts. BPI feels the use of these accounts to be the most accurate as this would ensure that the gain or loss on the sale of this severable land remains out of its future rate base, in keeping with the non-utility treatment of these investments.

B-Staff-29
Ref: Brantford Power, IRM Application, Page 28

Brantford Power indicates that it will have $440,889 in annual lost revenue as a result of the OEB's elimination of the $30 Collection of Account Charge.

a) Please provide a breakdown of the revenues received and the lost revenues from the Collection of Account charge from 2017 to 2019 (i.e. as determined by the number of notices issued).

BPI Response:

BPI does not believe this accurately captures the lost revenues as a result of policy changes in 2017 and beyond, as it does not consider the impacts of the Winter Disconnection Ban, which was introduced beginning in February 2017. The Decision in BPI's 2017 COS was issued in November 2016 , before BPI and the parties to the Settlement Agreement in BPI's 2017 Case had any knowledge of the pending winter disconnection ban. To reiterate, BPI's belief is that the lost revenues of $440,889 are a result of both the elimination of the $30 Collection of Account Charge and the various other policy changes impacting customer collections, most notably the winter disconnection ban.

The following IR-Table-15 shows the historical actual and COS provision for Collection of Account notices.

IR-Table-15 – Historical actual and COS provision of Collection of Account Charges

2014	2015	2016	2017 COS	2017	2018
$ 333,900	$ 440,550	$ 313,393	$ 440,889	$ 169,765	$ 160,466

IR-Table-15.1 below compares the level of revenues with the estimated lost revenues in each of the years, with 2017 and 2018 representing the impacts of policy changes/disconnection ban and 2019 representing part of the impact of the removal of the $30 charge.

IR-Table-15.1 – Lost Revenues Due to Policy Charges 2017-2019YTD

	2017	2018	2019 YTD
Notices Issued	5,659	5,349	2,407
Associated Revenues	169,764.79	160,466.22	64,106.00
Lost Revenues	- 271,124.21	- 280,422.78	- 376,783.00

b) Please provide a forecast of actual lost revenues from 2019 to 2021 (i.e. based on the number of notices issued).

BPI Response:

BPI forecasts that the lost revenues in 2019 to 2021 will be $440,889 when considering the impacts of both the winter disconnection ban and the removal of the $30 charge together.

c) Brantford Power is proposing to recover a total of $440,889 equaling the revenue offsets, from 1) actual revenues received from the charge and 2) the difference in $440,889 and revenues received in the account. Please explain if Brantford Power has considered recording lost revenues in the account based on the number of collection notices issued, capped at $440,889.

BPI Response:

BPI considered this approach, however the number of collection notices issued has been affected by policy changes since BPI's last COS, namely the introduction of the Winter Disconnection Ban. BPI has reviewed the patterns of collection notices issued before and after the winter disconnection ban, but has been unable to directly quantify the impacts as there are multiple other factors impacting the issuance of collection notices, for example the behaviour of some customers in arrears appears to have changed during the winter disconnection months.

d) Assuming $440,889 approximated actual revenues from the Collection of Account charge, Brantford Power would have issued approximately 15,000 notices annually ($440,889/$30 per notice).

i. Please explain why Brantford Power would have issued such a high number of notices for a utility with about 37,000 residential customers

BPI Response:

BPI has issued that level of notices in a past year, namely 2015. BPI has not analyzed the trend in the number of notices in-depth, however BPI believes this may be due to income demographics in BPI's service territory.

BPI has almost 7.5 % of its residential customers on OESP, and LEAP funding, which is awarded on a first-come, first-served basis is typically exhausted in January or February of each year.

BPI also understands that the approach to collections changes from one LDC to another—distributors have different thresholds for the level of arrears pursued for collection, as well as the resources available/deployed for collection activities.

ii. Please indicate the actual number of notices issued from 2017 to 2019 and explain the number of notices issued given the size of the utility.

BPI Response:

The following IR-Table-15.2 indicates the number of notices issued in each of those years. Again, BPI typically attributes the number of notices issued to the different demographics in its service territory impacting customers' ability to pay.

IR-Table-15.2 – Number of Notices Issued

2017	2018	2019 YTD
5,659	5,349	2,407

e) Please provide the annual revenue requirement associated with the costs of the collection activities.

BPI Response:

BPI tracks the costs directly attributable to collections, and these are summarized below in IR-Table-15.3.

IR-Table-15.3 – Annual Collections Costs

2017	2018	2019 YTD
$279,006.10	$132,082.90	$61,925.54

BPI notes that not all costs related to collection of accounts are tracked. For example, customers who have fallen into arrears and are notified may call the customer care team to discuss options for managing their arrears or to make a payment arrangement. Call time for these sorts of activities cannot easily be tracked and therefore is included in other OM&A accounts. Similarly, a component of CIS costs should be allocated to the collections function however it is difficult to assess what level of costs.

f) What is the unit cost of mailing a disconnection notice?

BPI Response:

The cost of mailing each notice is $0.81, considering only postage. In addition there are printing, paper and envelope costs. For each notice, a member of the customer care team performs several checks prior to sending such a notice, in order to confirm that a notice is not sent to a customer who has since paid their balance.

g) Page 31 states that the elimination of the Collection of Account charge would have an impact of 146 basis points. Please clarify how the calculation of 146 basis point was done. Please also confirm that the 2017 and 2018 achieved ROE already reflect revenues that were lost in those years.

BPI Response:

The calculation of the ROE impact estimation is outline below. BPI notes that the application should have read 148 basis points as shown in IR-Table-15.4.

IR-Table-15.4 – Impact of Lost Revenues on ROE

	Total Rate Base (2017 COS)	$ 74,382,897.03	*a*
	Deemed Equity %	40%	*b*
	Deemed Equity	$ 29,753,158.81	*c=a*b*
	Estimated Lost Revenues	$ 440,889.00	*e*
	Impact of Lost Revenues on ROE	1.48%	*f=e/c*

BPI confirms that 2017 and 2018 did already include lost revenues in those years caused by the impacts of the winter disconnection ban, as is visible from the B-Staff-29a above.

h) Please confirm that this account will be discontinued at Brantford Power's next rebasing application. If yes, please include this in the draft accounting order.

BPI Response:

BPI proposes that the account will continue to accumulate lost revenues until the day before BPI's next Cost-based rates are effective. BPI's next COS is scheduled for rates effective January 1, 2022 so in this case, the account would be discontinued December 31, 2021.

To clarify, BPI anticipates that DVAs up to December 31, 2020 will be eligible for disposition during the 2022 COS Application, so the account will cease to accumulate balances after the new rates are implemented, but will not be fully disposed and discontinued until the following COS application.

A 2022 COS would be expected to be finalized in late 2021, and therefore actual DVA balances for 2021 would not be available and audited.

SEC-BPI-1

[Appendix A ICM Application] Please provide a copy of all material provided to BPI's Board of Directors regarding the proposed facility.

BPI Response:

BPI has provided a compendium of Board Reports as IR-Attachment C. These represent the materials provided to the Board regarding the project at Savannah Oaks since there was renewed interest from the seller in late 2018. Also included is a summary of board minutes which are related to the proposed project.

Please note the budget report dated December 2018 describes assumptions included in the budget which differ from the current budget presented in this Application. These include assumptions regarding the timing of occupancy, cost levels, potential ICM revenues, etc. As set out in the report, a conservative approach was taken with respect to budgeting in order to acknowledge the increased risks associated with the project and demonstrate the increased financial risk associated with the project. BPI notes that the provisions considered in this budget report should not constitute the BPI's expectation that those outcomes would represent fair and reasonable rate-setting.

BPI further notes the budget assumptions were developed in November/December 2018, prior to BPI purchasing the facility.

SEC-BPI-2

[Appendix A ICM Application] Please provide a copy of any internal business case for the proposed project.

BPI Response:

Please review the Board Report dated November 2018, December 2018 and February 2019 (included in IR-Attachment C) for the internal business case for the current project leading to the purchase of the facility.

SEC-BPI-3
[Appendix A ICM Application, p.17] With respect to Table 9:

a. Please provide the basis for the calculation for each inefficiency:

BPI Response:

The following IR-Table-16 provides the basis for each of the inefficiency estimates.

IR-Table-16 – Inefficiency Estimates

	Annual Estimated Costs	Basis for Calculation
Quarterly Meetings - Travel, mileage, rentals, catering	$ 12,660.19	♦Estimate for mileage per employee to and from meeting for each location+ •estimate for wages using average wage rate *number of employees * length of meetings+ •Cost of catering and Venue for each meeting
Conference Room Rental	$ 1,100.00	Total of room rentals for a year (4 relevant meetings)
Duplication of office for VP Eng/Ops	$ 5,500.00	•estimated sft for an office * estimated rent+facility cost/sqft+ •cost of one set of office furniture+ •estimated annual cost for 1 parking space
Conference Call fees	$ 12,960.00	Annualized monthly cost for conference call *90% estimated use for weekly conference call
Double Parking	$ 1,500.00	# of employee with parking at both lots * estimated parking cost
Travel and mileage for regular trips (survey)	$ 55,577.45	•Survey results for number of annual trips between each location*(distance between each location*mileage rate+aveage wage*length of trip) •proration rate of 128% to account for non-responsive surveys
2018 Move Costs	$ 28,135.50	Actual costs for 2018 moves for 4 departments, including: •new furniture costs •estimated value of internal wages spent packing , coordinating, moving, etc. •mover expenses
Workplace Safety Inspections	$ 2,880.00	1 hr per inspection * 2 employees * 2 incremental locations *12 monthly inspections
TOTAL	**$ 120,313.13**	
Rate Assumptions used:		
Estimated rent+facility cost	*$20/sqft*	
Average wage + benefit assumption/hr:	*$ 60.00*	*(based on 2017 COS salaries+benefits/ 2017 COS # FTEs/average working hours)*
mileage rate/km:	*0.51*	
Parking Rate	*$300/space/year*	

b. Please explain how readers should interpret the table. Is it BPI's view that with the new facility, it will no longer these annual costs, and all else being equal, its OM&A would be reduced accordingly?

BPI Response:

BPI has attempted to put a value to some of the qualitative inefficiencies resulting from the current facilities configuration. These costs will not necessarily reduce OM&A for various reasons. In the case of mileage cost, BPI has indicated that mileage within the city is often not claimed by employees and therefore will not contribute to an OM&A decrease. With respect to the calculations based on employee time, the time previously spent on travel and meeting preparations will be repurposed to improve work product. Other items listed may be specific to the year in which assessments were made.

SEC-BPI-4

[Appendix A ICM Application, p.20] Please provide a copy of any final analysis, report, memorandum or similar document describing the properties and land considered by BPI in conjunction with CBRE.

BPI Response:

The materials provided by CBRE describing the properties reviewed are provided as IR-Attachment D.

SEC-BPI-5

[Appendix A ICM Application, p.20] The Applicant states: "BPI considers the ownership of a facility as a more attractive option. This is in part as a result of the increased control and certainty associated with owning rather than leasing a building- the price and availability of a leased facility is only in place for the duration of the current lease contract. BPI understands a typical lease contract lasts a maximum of five years and does not provide a reasonable level of long term business certainty.":

a. What is the basis for the statement that most typical lease contracts last a maximum of five years? Did BPI look into the possibility of longer-term leases?

BPI Response:

BPI did not look into the possibility of longer-term leases. In a longer-term lease circumstance, BPI would be concerned about the long term uncertainty and changing conditions affecting both BPI and the landlord. The level of control, both initially and in the long term, would be a key concern for BPI.

As shown in the response to B-Staff-25b I , none of the existing facilities on the market would meet BPI's requirements, and therefore only a built-to-suit lease long term lease would be possible. It is not likely that a landlord with existing facilities would undertake new construction/refurbishments specific to BPI's needs without significant costs (and the related profit on those costs).

In these circumstances, BPI anticipates that there would be no cost savings compared to the custom-built location, BPI would lose some control over the pricing and/or scoping and/or timing of the project, and

The reference to 5 year leases is based on BPI's understanding from real estate, legal and project management consultants that this is the typical maximum length of a commercial lease arrangement, with many commercial leases lasting a shorter time (1-2 years).

BPI speculates this may be due to both landlord and tenant wishing to keep their long term options flexible. For example, a landlord may wish to maintain the option to change the space and cost availability based on the market and internal business conditions affecting the landlord. The tenant, in turn may wish to keep its options flexible in terms of the pricing and market conditions affecting it, as well as the tenant's satisfaction with the premises and services provided by the landlord.

BPI notes the 20-year lease term with Energy+ reflects the unusual circumstances where both parties to the lease will be subject to the same or similar sector and geographic market conditions and both parties are involved in the same line of business which requires specialized facilities.

b. Did BPI look into the comparative economics of a lease option? If so, please provide a copy of all analysis.

BPI Response:

BPI did not consider that a lease option would meet its needs for the reasons described above related to the understood availability of lease options suiting its needs, as well as risk, control and based on assumptions of a higher cost level.

An illustrative analysis was provided in BPI's 2017 COS, and is shown below, and was based on assumed pricing for the lease option equivalent of the Savannah Oaks project contemplated in the 2017 COS.

Excerpts below are from OEB Case no. EB-2016-0058, Exhibit 2, Tab 1, Schedule 1, page 12 of 33.

Option to Lease

BPI understands from its real estate consultants that most properties listed on the market could either be purchased or leased. As BPI has determined that property B is the only property practical for its use, BPI investigated that option to lease. CBRE estimated a lease rate of $11 per square foot for the office space and $5.25 per square foot for the warehouse, excluding property taxes, operational costs, utilities and building renovation costs.

Based on the assessment of the floor plan provided by AECOM, BPI calculated a net present value of $10.3 M over 50 years (the typical useful life for buildings), which accounted for 25,000 sq. ft. of office space, the full warehouse of 36,400 sq. ft. and BPI's share of the common area on the first floor of 9,431 sq. ft. BPI used the Weighted Average Cost of Capital proposed in this application of 6.06% as the discount rate and 1% inflation rate. This present value does not include the leasehold improvements of $4.5M which would be necessary in a lease scenario and are included in the purchase price as refurbishments. In addition, the present value of the lease scenario does not include furniture costs, which are included in the purchase price of the property of $150,000. As a result, BPI determined that the option to purchase the property is much more viable, as shown in Table 2.1-F below.

Table 2.1-F: Purchase vs Lease Option

Acquisition Cost (Land and building)	$10,800,000
Less: Office Furniture included in acqusition cost	(150,000)
Less: 5 acres of sellable land	(625,000)
Net Acquisition Cost	$10,025,000
NPV of Lease Option	$10,300,000
Difference	($275,000)

Based on the cost analysis, BPI plans to purchase and refurbish Property B for a total capital cost of $15,375,349, ($14,750,349 of which has been included in rate base). BPI has submitted a conditional offer for the property which was accepted subject to the seller waiving their conditions. BPI anticipates the offer will close and relocation will be underway by October 1, 2016 given that minimal changes are anticipated for the office components of the facility.

SEC-BPI-6

[Appendix A ICM Application, p.19-20] Please provide a copy of the referenced AECOM Report regarding space needs, as well as the further AECOM analysis referenced regarding the analysis of the two considered sites.

BPI Response:

The requested reports are included as the IR-Attachment E.

SEC-BPI-7

[Appendix A ICM Application, p.21] BPI states that in late 2018 it "took time to re-assess and perform further due diligence on the Savannah Oaks option". Please provide a copy of all analysis, reports, presentations or similar documents that it has that provides a comparison of the Savannah Oaks and Garden option ***at that time*** it made its decision to go forward with the Savannah Oaks option.

BPI Response:

Please refer to the Board of Directors Report for November 2018 and December 2018 provided with the response to SEC-BPI-1 (IR-Attachment C).

SEC-BPI-8

[Appendix A ICM Application, p.23] Has BPI completed an RFP for construction of the proposed facility? If so, please provide details regarding the results of the RFP. If not, please explain why BPI is confident in its budgeted costs if after issuing the RFP for the Savannah Oaks property, it received no bids due to the cost cap.

BPI Response:

BPI is more confident in the project budget at 150 Savannah Oaks as significant components of the space requirements are already constructed. The purchase price of the facility makes up a significant component of the total project budget, and the construction component of the budget has decreased in turn. Specifically, there are limited costs and refurbishments required to the existing office portion of the building. The greatest cost increases at the Garden Ave. project were driven by the administrative/office component of the building.

Additionally, BPI has selected to work with a Construction Manager. This is a form of contract where a construction firm is hired prior to completion of the design to provide key advice during the design process to facilitate complicated projects and improve schedule adherence.

SEC-BPI-9

[Appendix A ICM Application, p.34] Please provide a more detailed breakdown of the total costs for the proposed facility. For each line-item, please explain the method of procurement (i.e. RFP, RFQ, etc.) and contract/costing approach (i.e. fixed price, etc.).

BPI Response:

The following IR-Table-17 presents a breakdown of the budget which outlines the procurement method for various aspects of the project budget.

IR-Table-17 – Various Procurement Methods

Type of Work	Procurement Method	Costing Approach	Budget
Project Management	RFP	Fixed Fee	$247,739
Internal Capitalized Labour	N/A	Time-based, captured in time docketing, dependent on "time spent to bring asset to its intended use".	$175,437
Construction Manager	RFP	Fixed Fee	$1,469,240
Legal Fees	RFP- Existing relationships	Time-based, captured in time docketing, dependent on "time spent to bring asset to its intended use".	$93,277
Conceptual Design/"Test Fit" Due Diligence	Sole-source based on existing knowledge of the facility, continuity of format and core assupmtions, timeliness of resposnes	Fixed Price	$43,530
Other Consulting Fees- compliance, cost sconsulting, etc	various- some sole-source, some based on 3 quotes, in line with procurement policy	primarily fixed fee	$263,425
Architect	Competitive Process overseen by Construction Manager, with input from BPI.	Fixed Price	$631,000
Prime Consultant- Garden Ave.	RFP	Fixed Price	$283,134
Facility	Negotiated Real Estate Transaction - multiple listings considered	Negotiated Real Estate Transaction - multiple listings considered	$11,550,000
Severable Land	N/a	Based on proportional value of purchasing price	-$3,124,918
Capitalized Borrowing Costs during WIP	Competitive Process	Variable short term rate during construction period	$844,600
Permits, Fees, Development Charges	N/a	Fixed Price	$410,180
Purchase Fees	N/A	Primarily Land Transfer Tax based on value of land	$245,020
Construction Work- Primarily Trades, etc.	Various Contracts-- vast majority to be Recommended by CM based on competitive procurement	Various contracts- vast majority will be fixed fee, with some pricing on time and materials basis.	$15,253,386
TOTAL			**$28,385,051**

SEC-BPI-10

[Appendix A ICM Application, p.39] BPI notes that it expects to have a Class C budget by September 2019. Please provide a copy of that budget and explain all variances between the Class D budget included in the application, and the Class C budget.

BPI Response:

BPI has not yet received the Class C budget. Consistent with B-Staff-20, BPI intends to provide an update when the updated budget has been provided and the associated building budget has been updated in turn, including the allocations to the parties. BPI will provide updated drawings at that time as well, as the allocations of space have changed since the Class D budget was developed.

SEC-BPI-11

[Appendix A ICM Application] It is unclear from the evidence what role Energy+ had in the decision-making process regarding the new facility. Please provide details regarding their involvement at each stage of the process to select and design the new facility.

BPI Response:

As part of the Garden Avenue project, Energy+ provided detailed input regarding its needs and requirements for office space, warehousing, the mechanic's bay and vehicle storage to the prime consultant for that locatin. The outcome was a detailed needs and space program for the Garden Avenue custom-built facility.

Energy+ was updated on the design, space, timing and costing of as the Garden Avenue project progressed.

Following the unsuccessful RFP at Garden Avenue, BPI selected to take the opportunity at the 150 Savannah Oaks facility. BPI invited Energy+ to continue its plan to partner with BPI at this location, and Energy+ confirmed its continued commitment to the joint operations, at the proposed existing facility.

The detailed needs and space program specifications developed for Energy+ were applied to the configurations and design at the Savannah Oaks facility. BPI, Energy+ and the design team have continued to make adjustments to the designs and configurations to optimize the space layouts for both parties.

SEC-BPI-12

[Appendix A ICM Application, Appendix F] Please provide a copy of the most up to date project schedule.

BPI Response:

BPI has attached an updated project schedule as IR-Attachment F.

SEC-BPI-13

[Appendix A ICM Application, Appendix F] On what date will BPI's operations staff be expected to move to the new facility?

BPI Response:

BPI's operations staff are expected to move in Q4, following the completion of the garages and TDC renovations, which are expected to be complete October 15, 2020.

Interrogatory Attachment A

Updated 2020 IRM Rate Generator Model (excel)

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Quick Link

Ontario Energy Board's 2020 Electricity Distribution Rates Webpage

Version 2.0

Utility Name	Brantford Power Inc.
Assigned EB Number	EB-2019-0022
Name of Contact and Title	Oana Stefan, Manager of Regulatory Affairs
Phone Number	519-751-3522 x 5477
Email Address	ostefan@brantford.ca
We are applying for rates effective	Wednesday, January 1, 2020
Rate-Setting Method	Price Cap IR
1. Select the last Cost of Service rebasing year	2017
2. Select the year that the balances of Accounts 1588 and 1589 were last approved for disposition *(e.g. If 2017 balances were approved for disposition in the 2019 rate application, select 2017)*	2017
3. Select the year that the balances of the remaining Group 1 DVAs were last approved for disposition	2017
4. Select the earliest vintage year in which there is a balance in Account 1595 *(e.g. If 2016 is the earliest vintage year in which there is a balance in a 1595 sub-account, select 2016)*	2017
5. Did you have any Class A customers at any point during the period that the Account 1589 balance accumulated (i.e. from the year the balance was last disposed to the year requested for disposition)?	Yes
6. Did you have any customers classified as Class A at any point during the period where the balance in Account 1580, Sub-account CBR Class B accumulated (i.e. from the year the balance was last disposed to the year requested for disposition)?	Yes
7. Retail Transmission Service Rates: Brantford Power Inc. is:	Partially Embedded **Within** Energy+ **Distribution System(s)** *(If necessary, enter all embedded distributor names in the above green shaded cell)*
8. Have you transitioned to fully fixed rates?	Yes

Legend

- Pale green cells represent input cells.
- Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.
- Red cells represents flags to identify either non-matching values or incorrect user selections.
- Pale grey cell represent auto-populated RRR data.
- White cells contain fixed values, automatically generated values or formulae.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2019

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2018-0020

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	23.50
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis	$/kWh	(0.0030)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until December 31, 2019	$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kWh	(0.0020)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis	$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0079
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0061

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	30.77
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Distribution Volumetric Rate	$/kWh	0.0081
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis	$/kWh	(0.0030)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until December 31, 2019	$/kWh	0.0009
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kWh	(0.0020)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis	$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0054

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	236.93
Distribution Volumetric Rate	$/kW	2.8643
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis	$/kWh	(0.0030)
Rate Rider for Disposition of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2019) - effective until December 31, 2019	$/kW	0.0766
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 Applicable only for Non-Wholesale Market Participants - Approved on an Interim Basis	$/kW	(0.9771)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kW	0.2402
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis	$/kW	(0.0557)
Retail Transmission Rate - Network Service Rate	$/kW	2.4118
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8282

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Approved on an Interim Basis

Service Charge	$	362.56
Distribution Volumetric Rate	$/kW	2.0121
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kW	0.2755
Retail Transmission Rate - Network Service Rate	$/kW	2.4118
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8282

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.40

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	4.24
Distribution Volumetric Rate	$/kW	20.3000
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis	$/kWh	(0.0031)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kW	(0.6492)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis	$/kW	(0.0544)
Retail Transmission Rate - Network Service Rate	$/kW	2.2521
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7075

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photocells. The consumption for these customers will be based on the calculated load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	1.45
Distribution Volumetric Rate	$/kW	6.0789
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers - Approved on an Interim Basis	$/kWh	(0.0030)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kW	(0.6505)
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis	$/kW	(0.0551)
Retail Transmission Rate - Network Service Rate	$/kW	2.3204
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.6878

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone boots, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	13.12
Distribution Volumetric Rate	$/kWh	0.0091
Rate Rider for Disposition of Capacity Based Recovery Account (2019) - effective until December 31, 2019 Applicable only for Class B Customers - Approved on an Interim Basis	$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019 - Approved on an Interim Basis	$/kWh	(0.0022)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0042
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0054

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component - Approved on an Interim Basis

Standby Charge - for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of the generation facility).	$/kW	1.7389

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Customer Administration

Easement letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00

Non-Payment of Account

Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	$	30.00
Disconnect/reconnect at meter - during regular hours	$	65.00
Disconnect/reconnect at meter - after regular hours	$	185.00
Disconnect/reconnect at pole - during regular hours	$	185.00
Disconnect/reconnect at pole - after regular hours	$	415.00
Install/remove load control device - during regular hours	$	65.00
Install/remove load control device - after regular hours	$	185.00

Other

Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service - install & remove - underground - no transformer	$	300.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	$	43.63
Meter removal without authorization	$	60.00

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly fixed charge, per retailer	$	20.00
Monthly variable charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
up to twice a year	$	no charge
more than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.032
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0218

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Please complete the following continuity schedule for the following Deferral/Variance Accounts. Enter information into green cells only. Please see instructions tab for detailed instructions on how to complete tabs 3 to 7. Column BV has been prepopulated from the latest 2.1.7 RRR filing.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2017									
		Opening Principal Amounts as of Jan 1, 2017	Transactions Debit / (Credit) during 2017	OEB-Approved Disposition during 2017	Principal Adjustments[1] during 2017	Closing Principal Balance as of Dec 31, 2017	Opening Interest Amounts as of Jan 1, 2017	Interest Jan 1 to Dec 31, 2017	OEB-Approved Disposition during 2017	Interest Adjustments[1] during 2017	Closing Interest Amounts as of Dec 31, 2017
Group 1 Accounts											
LV Variance Account	1550	0			0	0	0			0	0
Smart Metering Entity Charge Variance Account	1551	0			(9,339)	(9,339)	0			(65)	(65)
RSVA - Wholesale Market Service Charge[5]	1580	0			(1,887,082)	(1,887,082)	0			(23,022)	(23,022)
Variance WMS – Sub-account CBR Class A[5]	1580	0			0	0	0			0	0
Variance WMS – Sub-account CBR Class B[5]	1580	0			(130,936)	(130,936)	0			1,609	1,609
RSVA - Retail Transmission Network Charge	1584	0			493,804	493,804	0			10,034	10,034
RSVA - Retail Transmission Connection Charge	1586	0			122,526	122,526	0			4,402	4,402
RSVA - Power[4]	1588	0			224,693	224,693	0			16,700	16,700
RSVA - Global Adjustment[4]	1589	0			(1,176,859)	(1,176,859)	0			(23,764)	(23,764)
Disposition and Recovery/Refund of Regulatory Balances (2013)[3]	1595	0				0	0			0	0
Disposition and Recovery/Refund of Regulatory Balances (2014)[3]	1595	0				0	0			0	0
Disposition and Recovery/Refund of Regulatory Balances (2015)[3]	1595	0			(86)	(86)	0			37	37
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	0			193,173	193,173	0			(206,798)	(206,798)
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595	0			74,627	74,627	0			41,152	41,152
Disposition and Recovery/Refund of Regulatory Balances (2018)[3]	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]											
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595	0				0	0				0
RSVA - Global Adjustment	**1589**	0	0	0	(1,176,859)	(1,176,859)	0	0	0	(23,764)	(23,764)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		0	0	0	(918,620)	(918,620)	0	0	0	(155,951)	(155,951)
Total Group 1 Balance		0	0	0	(2,095,479)	(2,095,479)	0	0	0	(179,715)	(179,715)
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**	0				0	0				0
Total including Account 1568		0	0	0	(2,095,479)	(2,095,479)	0	0	0	(179,715)	(179,715)

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Please complete the following continuity schedule for the following Deferral/Variance Accounts. Enter information into green cells only. Please see instructions tab for detailed instructions on how to complete tabs 3 to 7. Column BV has been prepopulated from the latest 2.1.7 RRR filing.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2018									
		Opening Principal Amounts as of Jan 1, 2018	Transactions Debit / (Credit) during 2018	OEB-Approved Disposition during 2018	Principal Adjustments[1] during 2018	Closing Principal Balance as of Dec 31, 2018	Opening Interest Amounts as of Jan 1, 2018	Interest Jan 1 to Dec 31, 2018	OEB-Approved Disposition during 2018	Interest Adjustments[1] during 2018	Closing Interest Amounts as of Dec 31, 2018
Group 1 Accounts											
LV Variance Account	1550	0				0	0				0
Smart Metering Entity Charge Variance Account	1551	(9,339)	(36,257)			(45,596)	(65)	(624)			(689)
RSVA - Wholesale Market Service Charge[5]	1580	(1,887,082)	312,719			(1,574,363)	(23,022)	(32,107)			(55,129)
Variance WMS – Sub-account CBR Class A[5]	1580	0				0	0				0
Variance WMS – Sub-account CBR Class B[5]	1580	(130,936)	(476,414)			(607,350)	1,609	(6,183)			(4,574)
RSVA - Retail Transmission Network Charge	1584	493,804	(70,770)			423,034	10,034	8,264			18,298
RSVA - Retail Transmission Connection Charge	1586	122,526	415,183			537,709	4,402	6,311			10,713
RSVA - Power[4]	1588	224,693	(585,514)		944,786	583,966	16,700	(7,110)			9,590
RSVA - Global Adjustment[4]	1589	(1,176,859)	(1,393,796)		(27,741)	(2,598,397)	(23,764)	(33,942)			(57,706)
Disposition and Recovery/Refund of Regulatory Balances (2013)[3]	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2014)[3]	1595	0				0	0				0
Disposition and Recovery/Refund of Regulatory Balances (2015)[3]	1595	(86)				(86)	37				37
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	193,173	1,725			194,898	(206,798)	3,618			(203,180)
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595	74,627	(63,373)			11,254	41,152	1,557			42,709
Disposition and Recovery/Refund of Regulatory Balances (2018)[3]	1595	0	(7,598)			(7,598)	0	7,508			7,508
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]											
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595	0				0	0				0
RSVA - Global Adjustment	**1589**	(1,176,859)	(1,393,796)	0	(27,741)	(2,598,397)	(23,764)	(33,942)	0	0	(57,706)
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(918,620)	(510,299)	0	944,786	(484,133)	(155,951)	(18,766)	0	0	(174,717)
Total Group 1 Balance		(2,095,479)	(1,904,096)	0	917,045	(3,082,529)	(179,715)	(52,708)	0	0	(232,423)
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**	0		0		0	0				0
Total including Account 1568		(2,095,479)	(1,904,096)	0	917,045	(3,082,529)	(179,715)	(52,708)	0	0	(232,423)

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Please complete the following continuity schedule for the following Deferral/Variance Accounts. Enter information into green cells only. Please see instructions tab for detailed instructions on how to complete tabs 3 to 7. Column BV has been prepopulated from the latest 2.1.7 RRR filing.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2019 Principal Disposition during 2019 - instructed by OEB	2019 Interest Disposition during 2019 - instructed by OEB	2019 Closing Principal Balances as of Dec 31, 2018 Adjusted for Disposition during 2019	2019 Closing Interest Balances as of Dec 31, 2018 Adjusted for Disposition during 2019	Projected Interest on Dec-31-18 Balances: Projected Interest from Jan 1, 2019 to Dec 31, 2019 on Dec 31, 2018 balance adjusted for disposition during 2019 [2]	Projected Interest on Dec-31-18 Balances: Projected Interest from Jan 1, 2020 to Apr 30, 2020 on Dec 31, 2018 balance adjusted for disposition during 2019 [2]	Total Interest	Total Claim	Account Disposition: Yes/No?
Group 1 Accounts										
LV Variance Account	1550			0	0	0		0	0	
Smart Metering Entity Charge Variance Account	1551	(9,339)	(239)	(36,257)	(450)	(815)		(1,265)	(37,522)	
RSVA - Wholesale Market Service Charge[5]	1580	(1,887,082)	(58,169)	312,719	3,040	7,028		10,068	322,788	
Variance WMS – Sub-account CBR Class A[5]	1580			0	0	0		0	0	
Variance WMS – Sub-account CBR Class B[5]	1580	(130,936)	(830)	(476,414)	(3,744)	(10,707)		(14,451)	(490,865)	
RSVA - Retail Transmission Network Charge	1584	493,804	19,231	(70,770)	(933)	(1,591)		(2,524)	(73,294)	
RSVA - Retail Transmission Connection Charge	1586	122,526	6,684	415,183	4,029	9,331		13,360	428,543	
RSVA - Power[4]	1588	(441,904)	8,469	1,025,870	1,121	23,056		24,177	1,050,047	Yes
RSVA - Global Adjustment[4]	1589	(1,176,858)	(45,683)	(1,421,539)	(12,023)	(31,949)		(43,972)	(1,465,511)	Yes
Disposition and Recovery/Refund of Regulatory Balances (2013)[3]	1595			0	0	0		0	0	No
Disposition and Recovery/Refund of Regulatory Balances (2014)[3]	1595			0	0	0		0	0	No
Disposition and Recovery/Refund of Regulatory Balances (2015)[3]	1595			(86)	37	(2)		35	0	No
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	193,173	(203,200)	1,725	20	39		59	0	No
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595			11,254	42,709	253		42,962	54,216	Yes
Disposition and Recovery/Refund of Regulatory Balances (2018)[3]	1595			(7,598)	7,508	(171)		7,337	0	No
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]										No
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595			0	0	0		0	0	
RSVA - Global Adjustment	**1589**	(1,176,858)	(45,683)	(1,421,539)	(12,023)	(31,949)	0	(43,972)	(1,465,511)	
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(1,659,758)	(228,054)	1,175,625	53,337	26,422	0	79,759	1,253,913	
Total Group 1 Balance		(2,836,616)	(273,737)	(245,913)	41,314	(5,527)	0	35,787	(211,598)	
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**			0	0			0	0	
Total including Account 1568		(2,836,616)	(273,737)	(245,913)	41,314	(5,527)	0	35,787	(211,598)	

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related OEB decision.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Please complete the following continuity schedule for the following Deferral/Variance Accounts. Enter information into green cells only. Please see instructions tab for detailed instructions on how to complete tabs 3 to 7. Column BV has been prepopulated from the latest 2.1.7 RRR filing.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2.1.7 RRR As of Dec 31, 2018	Variance RRR vs. 2018 Balance *(Principal + Interest)*	
Group 1 Accounts				
LV Variance Account	1550	0	0	
Smart Metering Entity Charge Variance Account	1551	(46,284)	1	Please provide an explanation of the variance in the Manager's Summary
RSVA - Wholesale Market Service Charge[5]	1580	(2,241,424)	(611,932)	The variance does not match the value in cell BV25. Please provide an explanation of the variai
Variance WMS – Sub-account CBR Class A[5]	1580	0	0	
Variance WMS – Sub-account CBR Class B[5]	1580	(611,925)	(1)	Please provide an explanation of the variance in the Manager's Summary
RSVA - Retail Transmission Network Charge	1584	441,330	(2)	Please provide an explanation of the variance in the Manager's Summary
RSVA - Retail Transmission Connection Charge	1586	548,424	2	Please provide an explanation of the variance in the Manager's Summary
RSVA - Power[4]	1588	(1,017,829)	(1,611,384)	Please provide an explanation of the variance in the Manager's Summary
RSVA - Global Adjustment[4]	1589	(2,628,362)	27,740	Please provide an explanation of the variance in the Manager's Summary
Disposition and Recovery/Refund of Regulatory Balances (2013)[3]	1595	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2014)[3]	1595	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2015)[3]	1595	(50)	(1)	
Disposition and Recovery/Refund of Regulatory Balances (2016)[3]	1595	(8,282)	(0)	
Disposition and Recovery/Refund of Regulatory Balances (2017)[3]	1595	53,963	0	
Disposition and Recovery/Refund of Regulatory Balances (2018)[3]	1595	(91)	(1)	
Disposition and Recovery/Refund of Regulatory Balances (2019)[3]				
Not to be disposed of until a year after rate rider has expired and that balance has been audited	1595		0	
RSVA - Global Adjustment	**1589**	(2,628,362)	27,740	
Total Group 1 Balance excluding Account 1589 - Global Adjustment		(2,270,243)	(1,611,393)	
Total Group 1 Balance		(4,898,605)	(1,583,653)	
LRAM Variance Account (only input amounts if applying for disposition of this account)	**1568**	368,002	368,002	Please provide an explanation of the variance in the Manager's Summary
Total including Account 1568		(4,530,602)	(1,215,650)	

For all OEB-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related OEB decision.

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Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Data on this worksheet has been populated using your most recent RRR filing.

If you have identified any issues, please contact the OEB.

Have you confirmed the accuracy of the data below? **Yes**

If a distributor uses the actual GA price to bill non-RPP Class B customers for an entire rate class, it must exclude these customers from the allocation of the GA balance and the calculation of the resulting rate riders. These rate classes are not to be charged/refunded the general GA rate rider as they did not contribute to the GA balance.

Please contact the OEB to make adjustments to the IRM rate generator for this situation.

Rate Class	Unit	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers (excluding WMP)	Metered kW for Non RPP Customers (excluding WMP)	Metered kWh for Wholesale Market Participants (WMP)	Metered kW for Wholesale Market Participants (WMP)	Total Metered kWh less WMP consumption *(if applicable)*	Total Metered kW less WMP consumption *(if applicable)*	1595 Recovery Proportion (2017) [1]	1568 LRAM Variance Account Class Allocation ($ amounts)	Number of Customers for Residential and GS<50 classes[3]
RESIDENTIAL SERVICE CLASSIFICATION	kWh	301,310,523	0	11,330,957	0	0	0	301,310,523	0	63%		36,595
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	94,728,588	0	12,271,676	0	0	0	94,728,588	0	20%		2,822
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	535,922,956	1,447,503	492,663,110	1,328,400	6,330,357	12,258	529,592,599	1,435,245	18%		
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	41,227,723	95,219	0	0	41,227,724	95,219	(1)	0	-1%		
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	190,023	520	0	0	0	0	190,023	520	0%		
STREET LIGHTING SERVICE CLASSIFICATION	kW	7,191,580	22,227	7,191,580	22,227	0	0	7,191,580	22,227	0%		
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	1,497,429	0	0	0	0	0	1,497,429	0	0%		
STANDBY POWER SERVICE CLASSIFICATION	kW	0	0	0	0	0	0	0	0	0%		
	Total	982,068,822	1,565,469	523,457,323	1,350,627	47,558,081	107,477	934,510,741	1,457,992	100%	0	39,417

Threshold Test

Total Claim (including Account 1568)	($211,598)	
Total Claim for Threshold Test (All Group 1 Accounts)	($211,598)	
Threshold Test (Total claim per kWh) [2]	($0.0002)	**Claim does not meet the threshold test.**

As per Section 3.2.5 of the 2019 Filing Requirements for Electricity Distribution Rate Applications, an applicant may elect to dispose of the Group 1 account balances below the threshold. If doing so, please select YES from the adjacent drop-down cell and also indicate so in the Manager's Summary. If not, please select NO.

NO

[1] Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

[2] The Threshold Test does not include the amount in 1568.

[3] The proportion of customers for the Residential and GS<50 Classes will be used to allocate Account 1551.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

No input required. This workshseet allocates the deferral/variance account balances (Group 1 and 1568) to the appropriate classes as per EDDVAR dated July 31, 2009

Allocation of Group 1 Accounts (including Account 1568)

Rate Class	% of Total kWh	% of Customer Numbers **	% of Total kWh adjusted for WMP	1550	1551	1580 (allocated based on Total less WMP)	1584	1586	1588 (allocated based on Total less WMP)	1595_(2017)	1568
RESIDENTIAL SERVICE CLASSIFICATION	30.7%	92.8%	32.2%								0
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	9.6%	7.2%	10.1%								0
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	54.6%	0.0%	56.7%								0
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	4.2%	0.0%	0.0%								0
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.0%	0.0%	0.0%								0
STREET LIGHTING SERVICE CLASSIFICATION	0.7%	0.0%	0.8%								0
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.2%	0.0%	0.2%								0
STANDBY POWER SERVICE CLASSIFICATION	0.0%	0.0%	0.0%								0
Total	100.0%	100.0%	100.0%	0	0	0	0	0	0	0	0

*** Used to allocate Account 1551 as this account records the variances arising from the Smart Metering Entity Charges to Residential and GS<50 customers.*

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Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Input required at cells C13 and C14. This workshseet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and rate riders for Account 1568. Rate Riders will not be generated for the microFIT class.

Default Rate Rider Recovery Period (in months)	**12**	
DVA Proposed Rate Rider Recovery Period (in months)	**12**	**Rate Rider Recovery to be used below**
LRAM Proposed Rate Rider Recovery Period (in months)	**12**	**Rate Rider Recovery to be used below**

Rate Class	Unit	Total Metered kWh	Metered kW or kVA	Total Metered kWh less WMP consumption	Total Metered kW less WMP consumption	Allocation of Group 1 Account Balances to All Classes [2]	Allocation of Group 1 Account Balances to Non-WMP Classes Only (If Applicable) [2]	Deferral/Variance Account Rate Rider [2]	Deferral/Variance Account Rate Rider for Non-WMP (if applicable) [2]	Account 1568 Rate Rider	Revenue Reconcila
RESIDENTIAL SERVICE CLASSIFICATION	kWh	301,310,523	0	301,310,523	0	0		0.0000	0.0000	0.0000	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	94,728,588	0	94,728,588	0	0		0.0000	0.0000	0.0000	
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	535,922,956	1,447,503	529,592,599	1,435,245	0		0.0000	0.0000	0.0000	
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	41,227,723	95,219	(1)	0	0		0.0000	0.0000	0.0000	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	190,023	520	190,023	520	0		0.0000	0.0000	0.0000	
STREET LIGHTING SERVICE CLASSIFICATION	kW	7,191,580	22,227	7,191,580	22,227	0		0.0000	0.0000	0.0000	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	1,497,429	0	1,497,429	0	0		0.0000	0.0000	0.0000	
STANDBY POWER SERVICE CLASSIFICATION	kW	0	0	0	0	0		0.0000	0.0000	0.0000	
											0.00

[1] When calculating the revenue reconciliation for distributors with Class A customers, the balances of sub-account 1580-CBR Class B will not be taken into consideration if there are Class A customers since the rate riders, if any, are calculated separately.

[2] Only for rate classes with WMP customers are the Deferral/Variance Account Rate Riders for Non-WMP (column H and J) calculated separately. For all rate classes without WMP customers, balances in account 1580 and 1588 are included in column G and disposed through a combined Deferral/Variance Account and Rate Rider.

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Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Summary - Sharing of Tax Change Forecast Amounts

	2017	2020
OEB-Approved Rate Base	$ 74,003,734	$ 74,003,734
OEB-Approved Regulatory Taxable Income	$ 1,400,591	$ 1,400,591
Federal General Rate		15.0%
Federal Small Business Rate		9.0%
Federal Small Business Rate (calculated effective rate)[1,2]		15.0%
Ontario General Rate		11.5%
Ontario Small Business Rate		3.5%
Ontario Small Business Rate (calculated effective rate)[1,2]		11.5%
Federal Small Business Limit		$ 500,000
Ontario Small Business Limit		$ 500,000
Federal Taxes Payable		$ 210,089
Provincial Taxes Payable		$ 161,068
Federal Effective Tax Rate		15.0%
Provincial Effective Tax Rate		11.5%
Combined Effective Tax Rate	26.5%	26.5%
Total Income Taxes Payable	$ 371,157	$ 371,157
OEB-Approved Total Tax Credits (enter as positive number)	$ -	$ -
Income Tax Provision	$ 371,157	$ 371,157
Grossed-up Income Taxes	$ 504,975	$ 504,975
Incremental Grossed-up Tax Amount		$ -
Sharing of Tax Amount (50%)		**$ -**

Notes

1. 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.

2. The OEB's proxy for taxable capital is rate base.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Calculation of Rebased Revenue Requirement and Allocation of Tax Sharing Amount. Enter data from the last OEB-Approved Cost of Service application in columns C through H.

As per Chapter 3 Filing Requirements, shared tax rate riders are based on a 1 year disposition.

Rate Class		Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Re-based Service Charge	Re-based Distribution Volumetric Rate kWh	Re-based Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
RESIDENTIAL SERVICE CLASSIFICATION	kWh							0	0	0	0	0.0%	0.0%	0.0%	0.0%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh							0	0	0	0	0.0%	0.0%	0.0%	0.0%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW							0	0	0	0	0.0%	0.0%	0.0%	0.0%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW							0	0	0	0	0.0%	0.0%	0.0%	0.0%
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW							0	0	0	0	0.0%	0.0%	0.0%	0.0%
STREET LIGHTING SERVICE CLASSIFICATION	kW							0	0	0	0	0.0%	0.0%	0.0%	0.0%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh							0	0	0	0	0.0%	0.0%	0.0%	0.0%
STANDBY POWER SERVICE CLASSIFICATION	kW							0	0	0	0	0.0%	0.0%	0.0%	0.0%
Total		0	0	0				0	0	0	0				0.0%

Rate Class		Total kWh (most recent RRR filing)	Total kW (most recent RRR filing)	Allocation of Tax Savings by Rate Class	Distribution Rate Rider	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	301,310,523		0	0.00	$/customer
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	94,728,588		0	0.0000	kWh
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	535,922,956	1,447,503	0	0.0000	kW
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	41,227,723	95,219	0	0.0000	kW
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	190,023	520	0	0.0000	kW
STREET LIGHTING SERVICE CLASSIFICATION	kW	7,191,580	22,227	0	0.0000	kW
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	1,497,429		0	0.0000	kWh
STANDBY POWER SERVICE CLASSIFICATION	kW			0	0.0000	kW
Total		982,068,822	1,565,469	$0		

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Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Columns E and F have been populated with data from the most recent RRR filing. Rate classes that have more than one Network or Connection charge will notice that the cells are highlighted in green and unlocked. If the data needs to be modified, please make the necessary adjustments and note the changes in your manager's summary. As well, the Loss Factor has been imported from Tab 2.

Rate Class	Rate Description	Unit	Rate	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Loss Adjusted Billed kWh
Residential Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0079	301,310,523	0	1.0320	310,952,460
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0061	301,310,523	0	1.0320	310,952,460
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0070	94,728,588	0	1.0320	97,759,903
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0054	94,728,588	0	1.0320	97,759,903
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.4118	535,922,956	1,447,503		
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8282	535,922,956	1,447,503		
Embedded Distributor Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.4118	41,227,723	95,219		
Embedded Distributor Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8282	41,227,723	95,219		
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.2521	190,023	520		
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7075	190,023	520		
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.3204	7,191,580	22,227		
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.6878	7,191,580	22,227		
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0042	1,497,429	0	1.0320	1,545,347
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0054	1,497,429	0	1.0320	1,545,347

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Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Uniform Transmission Rates	Unit	2018	2019 (Jan 1 - June 30)	2019 (July 1 - Dec 31)	2020
Rate Description		**Rate**	**Rate**	**Rate**	**Rate**
Network Service Rate	kW	$ 3.61	$ 3.71	$ 3.83	$ 3.83
Line Connection Service Rate	kW	$ 0.95	$ 0.94	$ 0.96	$ 0.96
Transformation Connection Service Rate	kW	$ 2.34	$ 2.25	$ 2.30	$ 2.30

Hydro One Sub-Transmission Rates	Unit	2018	2019 (Jan 1 - June 30)	2019 (July 1 - Dec 31)	2020
Rate Description		**Rate**	**Rate**	**Rate**	**Rate**
Network Service Rate	kW	$ 3.1942	$ 3.1942	$ 3.2915	$ 3.2915
Line Connection Service Rate	kW	$ 0.7710	$ 0.7710	$ 0.7877	$ 0.7877
Transformation Connection Service Rate	kW	$ 1.7493	$ 1.7493	$ 1.9755	$ 1.9755
Both Line and Transformation Connection Service Rate	kW	$ 2.5203	$ 2.5203	$ 2.7632	$ 2.7632

If needed, add extra host here. (I)	Unit	2018	2019		2020
Rate Description		**Rate**	**Rate**		**Rate**
Network Service Rate	kW		$ 2.66		$ 2.66
Line Connection Service Rate	kW		$ 1.67		$ 1.67
Transformation Connection Service Rate	kW				
Both Line and Transformation Connection Service Rate	kW	$ -	$ 1.67		$ 1.67

If needed, add extra host here. (II)	Unit	2018	2019		2020
Rate Description		**Rate**	**Rate**		**Rate**
Network Service Rate	kW				
Line Connection Service Rate	kW				
Transformation Connection Service Rate	kW				
Both Line and Transformation Connection Service Rate	kW	$ -	$ -		$ -

		Historical 2018	Current 2019		Forecast 2020
Low Voltage Switchgear Credit (if applicable, enter as a negative value)	$				

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Tab 10. For Hydro One Sub-transmission Rates, if you are charged a combined Line and Transformer connection rate, please ensure that both the Line Connection and Transformation Connection columns are completed.
If any of the Hydro One Sub-transmission rates (column E, I and M) are highlighted in red, please double check the billing data entered in "Units Billed" and "Amount" columns. The highlighted rates do not match the Hydro One Sub-transmission rates approved for that time period. If data has been entered correctly, please provide explanation for the discrepancy in rates.

IESO	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	150,244	$3.61	$ 542,381	155,718	$0.95	147,932	123,560	$2.34	$ 289,130	$ 437,063
February	140,250	$3.61	$ 506,303	144,858	$0.95	137,615	114,429	$2.34	$ 267,764	$ 405,379
March	131,349	$3.61	$ 474,170	138,060	$0.95	131,157	105,599	$2.34	$ 247,102	$ 378,259
April	130,075	$3.61	$ 469,571	134,091	$1.17	156,813	102,221	$3.01	$ 307,748	$ 464,560
May	175,856	$3.61	$ 634,840	180,206	$0.95	171,196	140,320	$2.34	$ 328,349	$ 499,545
June	164,935	$3.61	$ 595,415	208,857	$0.95	198,414	152,964	$2.34	$ 357,936	$ 556,350
July	195,251	$3.61	$ 704,856	198,871	$0.95	188,927	156,627	$2.34	$ 366,507	$ 555,435
August	187,250	$3.61	$ 675,973	188,543	$0.95	179,116	147,017	$2.34	$ 344,020	$ 523,136
September	189,612	$3.61	$ 684,499	192,601	$0.95	182,971	149,907	$2.34	$ 350,782	$ 533,753
October	144,959	$3.61	$ 523,302	149,277	$0.95	141,813	117,382	$2.34	$ 274,674	$ 416,487
November	142,746	$3.61	$ 515,313	154,256	$0.95	146,543	115,310	$2.34	$ 269,825	$ 416,369
December	135,269	$3.61	$ 488,321	147,233	$0.95	139,871	107,017	$2.34	$ 250,420	$ 390,291
Total	1,887,796	$ 3.61	$ 6,814,944	1,992,571	$ 0.96	$ 1,922,369	1,532,353	$ 2.38	$ 3,654,257	$ 5,576,625

Hydro One	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		$0.0000			$0.0000			$0.0000		$ -
February		$0.0000			$0.0000			$0.0000		$ -
March		$0.0000			$0.0000			$0.0000		$ -
April		$0.0000			$0.0000			$0.0000		$ -
May		$0.0000			$0.0000			$0.0000		$ -
June		$0.0000			$0.0000			$0.0000		$ -
July		$0.0000			$0.0000			$0.0000		$ -
August		$0.0000			$0.0000			$0.0000		$ -
September		$0.0000			$0.0000			$0.0000		$ -
October		$0.0000			$0.0000			$0.0000		$ -
November		$0.0000			$0.0000			$0.0000		$ -
December		$0.0000			$0.0000			$0.0000		$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Add Extra Host Here (I) (if needed)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	14	$ 2.3697	$ 32	14	$ 1.2298	$ 17		$ -		$ 17
February	13	$ 2.3695	$ 31	13	$ 1.2302	$ 16		$ -		$ 16
March	23	$ 2.3695	$ 53	23	$ 1.2300	$ 28		$ -		$ 28
April	22	$ 2.3693	$ 51	23	$ 1.2302	$ 28		$ -		$ 28
May	118	$ 2.3694	$ 281	133	$ 1.2301	$ 164		$ -		$ 164
June	238	$ 2.3644	$ 562	292	$ 1.2949	$ 378		$ -		$ 378
July	218	$ 2.3644	$ 516	293	$ 1.2949	$ 380		$ -		$ 380
August	202	$ 2.3644	$ 477	274	$ 1.2949	$ 355		$ -		$ 355
September	133	$ 2.3644	$ 314	261	$ 1.2949	$ 338		$ -		$ 338
October	97	$ 2.3644	$ 230	103	$ 1.2949	$ 133		$ -		$ 133
November	14	$ 2.3648	$ 33	15	$ 1.2948	$ 20		$ -		$ 20
December	13	$ 2.3645	$ 32	13	$ 1.2947	$ 17		$ -		$ 17
Total	1,104	$ 2.37	$ 2,612	1,457	$ 1.29	$ 1,874	-	$ -	$ -	$ 1,874

Add Extra Host Here (II) (if needed)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		$ -			$ -			$ -		$ -
February		$ -			$ -			$ -		$ -
March		$ -			$ -			$ -		$ -
April		$ -			$ -			$ -		$ -
May		$ -			$ -			$ -		$ -
June		$ -			$ -			$ -		$ -
July		$ -			$ -			$ -		$ -
August		$ -			$ -			$ -		$ -
September		$ -			$ -			$ -		$ -
October		$ -			$ -			$ -		$ -
November		$ -			$ -			$ -		$ -
December		$ -			$ -			$ -		$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Total	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	150,258	$ 3.6099	$ 542,413	155,732	$ 0.9500	$ 147,949	123,560	$ 2.3400	$ 289,130	$ 437,080
February	140,263	$ 3.6099	$ 506,334	144,871	$ 0.9500	$ 137,631	114,429	$ 2.3400	$ 267,764	$ 405,395
March	131,372	$ 3.6098	$ 474,223	138,083	$ 0.9500	$ 131,185	105,599	$ 2.3400	$ 247,102	$ 378,286
April	130,097	$ 3.6098	$ 469,622	134,114	$ 1.1695	$ 156,841	102,221	$ 3.0106	$ 307,748	$ 464,588
May	175,974	$ 3.6092	$ 635,121	180,339	$ 0.9502	$ 171,360	140,320	$ 2.3400	$ 328,349	$ 499,708
June	165,173	$ 3.6082	$ 595,977	209,149	$ 0.9505	$ 198,792	152,964	$ 2.3400	$ 357,936	$ 556,728
July	195,469	$ 3.6086	$ 705,372	199,164	$ 0.9505	$ 189,307	156,627	$ 2.3400	$ 366,507	$ 555,814
August	187,452	$ 3.6087	$ 676,450	188,817	$ 0.9505	$ 179,471	147,017	$ 2.3400	$ 344,020	$ 523,491
September	189,745	$ 3.6091	$ 684,814	192,862	$ 0.9505	$ 183,308	149,907	$ 2.3400	$ 350,782	$ 534,091
October	145,056	$ 3.6092	$ 523,532	149,380	$ 0.9502	$ 141,946	117,382	$ 2.3400	$ 274,674	$ 416,620
November	142,760	$ 3.6099	$ 515,346	154,271	$ 0.9500	$ 146,563	115,310	$ 2.3400	$ 269,825	$ 416,388
December	135,282	$ 3.6099	$ 488,353	147,246	$ 0.9500	$ 139,889	107,017	$ 2.3400	$ 250,420	$ 390,309
Total	1,888,900	$ 3.61	$ 6,817,556	1,994,028	$ 0.97	$ 1,924,242	1,532,353	$ 2.38	$ 3,654,257	$ 5,578,499

Low Voltage Switchgear Credit (if applicable)	$ -
Total including deduction for Low Voltage Switchgear Credit	$ 5,578,499

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

The purpose of this sheet is to calculate the expected billing when current 2019 Uniform Transmission Rates are applied against historical 2018 transmission units.

IESO	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	150,244	$ 3.7100	$ 557,405	155,718	$ 0.9400	$ 146,375	123,560	$ 2.2500	$ 278,010	$ 424,385
February	140,250	$ 3.7100	$ 520,328	144,858	$ 0.9400	$ 136,167	114,429	$ 2.2500	$ 257,465	$ 393,632
March	131,349	$ 3.7100	$ 487,305	138,060	$ 0.9400	$ 129,776	105,599	$ 2.2500	$ 237,598	$ 367,374
April	130,075	$ 3.7100	$ 482,578	134,091	$ 0.9400	$ 126,046	102,221	$ 2.2500	$ 229,997	$ 356,043
May	175,856	$ 3.7100	$ 652,426	180,206	$ 0.9400	$ 169,394	140,320	$ 2.2500	$ 315,720	$ 485,114
June	164,935	$ 3.7100	$ 611,909	208,857	$ 0.9400	$ 196,326	152,964	$ 2.2500	$ 344,169	$ 540,495
July	195,251	$ 3.8300	$ 747,811	198,871	$ 0.9600	$ 190,916	156,627	$ 2.3000	$ 360,242	$ 551,158
August	187,250	$ 3.8300	$ 717,168	188,543	$ 0.9600	$ 181,001	147,017	$ 2.3000	$ 338,139	$ 519,140
September	189,612	$ 3.8300	$ 726,214	192,601	$ 0.9600	$ 184,897	149,907	$ 2.3000	$ 344,786	$ 529,683
October	144,959	$ 3.8300	$ 555,193	149,277	$ 0.9600	$ 143,306	117,382	$ 2.3000	$ 269,979	$ 413,285
November	142,746	$ 3.8300	$ 546,717	154,256	$ 0.9600	$ 148,086	115,310	$ 2.3000	$ 265,213	$ 413,299
December	135,269	$ 3.8300	$ 518,080	147,233	$ 0.9600	$ 141,344	107,017	$ 2.3000	$ 246,139	$ 387,483
Total	1,887,796	$ 3.77	$ 7,123,134	1,992,571	$ 0.95	$ 1,893,632	1,532,353	$ 2.28	$ 3,487,457	$ 5,381,090

Hydro One	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	$ 3.1942	$ -	-	$ 0.7710	$ -	-	$ 1.7493	$ -	$ -
February	-	$ 3.1942	$ -	-	$ 0.7710	$ -	-	$ 1.7493	$ -	$ -
March	-	$ 3.1942	$ -	-	$ 0.7710	$ -	-	$ 1.7493	$ -	$ -
April	-	$ 3.1942	$ -	-	$ 0.7710	$ -	-	$ 1.7493	$ -	$ -
May	-	$ 3.1942	$ -	-	$ 0.7710	$ -	-	$ 1.7493	$ -	$ -
June	-	$ 3.1942	$ -	-	$ 0.7710	$ -	-	$ 1.7493	$ -	$ -
July	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
August	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
September	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
October	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
November	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
December	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Add Extra Host Here (I)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	14	$ 2.6625	$ 36	14	$ 1.6731	$ 23	-	$ -	$ -	$ 23
February	13	$ 2.6625	$ 35	13	$ 1.6731	$ 22	-	$ -	$ -	$ 22
March	23	$ 2.6625	$ 60	23	$ 1.6731	$ 38	-	$ -	$ -	$ 38
April	22	$ 2.6625	$ 57	23	$ 1.6731	$ 38	-	$ -	$ -	$ 38
May	118	$ 2.6625	$ 315	133	$ 1.6731	$ 223	-	$ -	$ -	$ 223
June	238	$ 2.6625	$ 633	292	$ 1.6731	$ 488	-	$ -	$ -	$ 488
July	218	$ 2.6625	$ 581	293	$ 1.6731	$ 491	-	$ -	$ -	$ 491
August	202	$ 2.6625	$ 537	274	$ 1.6731	$ 459	-	$ -	$ -	$ 459
September	133	$ 2.6625	$ 354	261	$ 1.6731	$ 436	-	$ -	$ -	$ 436
October	97	$ 2.6625	$ 259	103	$ 1.6731	$ 172	-	$ -	$ -	$ 172
November	14	$ 2.6625	$ 37	15	$ 1.6731	$ 26	-	$ -	$ -	$ 26
December	13	$ 2.6625	$ 36	13	$ 1.6731	$ 23	-	$ -	$ -	$ 23
Total	1,104	$ 2.66	$ 2,940	1,457	$ 1.67	$ 2,438	-	$ -	$ -	$ 2,438

Add Extra Host Here (II)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
February	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
March	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
April	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
May	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
June	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
July	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
August	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
September	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
October	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
November	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
December	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Total	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	150,258	$ 3.7099	$ 557,441	155,732	$ 0.9401	$ 146,398	123,560	$ 2.2500	$ 278,010	$ 424,408
February	140,263	$ 3.7099	$ 520,363	144,871	$ 0.9401	$ 136,189	114,429	$ 2.2500	$ 257,465	$ 393,654
March	131,372	$ 3.7098	$ 487,365	138,083	$ 0.9401	$ 129,814	105,599	$ 2.2500	$ 237,598	$ 367,412
April	130,097	$ 3.7098	$ 482,635	134,114	$ 0.9401	$ 126,084	102,221	$ 2.2500	$ 229,997	$ 356,081
May	175,974	$ 3.7093	$ 652,741	180,339	$ 0.9405	$ 169,616	140,320	$ 2.2500	$ 315,720	$ 485,336
June	165,173	$ 3.7085	$ 612,541	209,149	$ 0.9410	$ 196,814	152,964	$ 2.2500	$ 344,169	$ 540,983
July	195,469	$ 3.8287	$ 748,393	199,164	$ 0.9611	$ 191,407	156,627	$ 2.3000	$ 360,242	$ 551,649
August	187,452	$ 3.8287	$ 717,705	188,817	$ 0.9610	$ 181,460	147,017	$ 2.3000	$ 338,139	$ 519,599
September	189,745	$ 3.8292	$ 726,568	192,862	$ 0.9610	$ 185,333	149,907	$ 2.3000	$ 344,786	$ 530,119
October	145,056	$ 3.8292	$ 555,451	149,380	$ 0.9605	$ 143,478	117,382	$ 2.3000	$ 269,979	$ 413,456
November	142,760	$ 3.8299	$ 546,754	154,271	$ 0.9601	$ 148,111	115,310	$ 2.3000	$ 265,213	$ 413,324
December	135,282	$ 3.8299	$ 518,116	147,246	$ 0.9601	$ 141,366	107,017	$ 2.3000	$ 246,139	$ 387,505
Total	1,888,900	$ 3.77	$ 7,126,074	1,994,028	$ 0.95	$ 1,896,070	1,532,353	$ 2.28	$ 3,487,457	$ 5,383,528

Low Voltage Switchgear Credit (if applicable)	$ -
Total including deduction for Low Voltage Switchgear Credit	$ 5,383,528

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

The purpose of this sheet is to calculate the expected billing when forecasted 2019 Uniform Transmission Rates are applied against historical 2018 transmission units.

IESO	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	150,244	$ 3.8300	$ 575,435	155,718	$ 0.9600	$ 149,489	123,560	$ 2.3000	$ 284,188	$ 433,677
February	140,250	$ 3.8300	$ 537,158	144,858	$ 0.9600	$ 139,064	114,429	$ 2.3000	$ 263,187	$ 402,250
March	131,349	$ 3.8300	$ 503,067	138,060	$ 0.9600	$ 132,538	105,599	$ 2.3000	$ 242,878	$ 375,415
April	130,075	$ 3.8300	$ 498,187	134,091	$ 0.9600	$ 128,727	102,221	$ 2.3000	$ 235,108	$ 363,836
May	175,856	$ 3.8300	$ 673,528	180,206	$ 0.9600	$ 172,998	140,320	$ 2.3000	$ 322,736	$ 495,734
June	164,935	$ 3.8300	$ 631,701	208,857	$ 0.9600	$ 200,503	152,964	$ 2.3000	$ 351,817	$ 552,320
July	195,251	$ 3.8300	$ 747,811	198,871	$ 0.9600	$ 190,916	156,627	$ 2.3000	$ 360,242	$ 551,158
August	187,250	$ 3.8300	$ 717,168	188,543	$ 0.9600	$ 181,001	147,017	$ 2.3000	$ 338,139	$ 519,140
September	189,612	$ 3.8300	$ 726,214	192,601	$ 0.9600	$ 184,897	149,907	$ 2.3000	$ 344,786	$ 529,683
October	144,959	$ 3.8300	$ 555,193	149,277	$ 0.9600	$ 143,306	117,382	$ 2.3000	$ 269,979	$ 413,285
November	142,746	$ 3.8300	$ 546,717	154,256	$ 0.9600	$ 148,086	115,310	$ 2.3000	$ 265,213	$ 413,299
December	135,269	$ 3.8300	$ 518,080	147,233	$ 0.9600	$ 141,344	107,017	$ 2.3000	$ 246,139	$ 387,483
Total	1,887,796	$ 3.83	$ 7,230,259	1,992,571	$ 0.96	$ 1,912,868	1,532,353	$ 2.30	$ 3,524,412	$ 5,437,280

Hydro One	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
February	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
March	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
April	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
May	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
June	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
July	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
August	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
September	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
October	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
November	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
December	-	$ 3.2915	$ -	-	$ 0.7877	$ -	-	$ 1.9755	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Add Extra Host Here (I)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	14	$ 2.6625	$ 36	14	$ 1.6731	$ 23	-	$ -	$ -	$ 23
February	13	$ 2.6625	$ 35	13	$ 1.6731	$ 22	-	$ -	$ -	$ 22
March	23	$ 2.6625	$ 60	23	$ 1.6731	$ 38	-	$ -	$ -	$ 38
April	22	$ 2.6625	$ 57	23	$ 1.6731	$ 38	-	$ -	$ -	$ 38
May	118	$ 2.6625	$ 315	133	$ 1.6731	$ 223	-	$ -	$ -	$ 223
June	238	$ 2.6625	$ 633	292	$ 1.6731	$ 488	-	$ -	$ -	$ 488
July	218	$ 2.6625	$ 581	293	$ 1.6731	$ 491	-	$ -	$ -	$ 491
August	202	$ 2.6625	$ 537	274	$ 1.6731	$ 459	-	$ -	$ -	$ 459
September	133	$ 2.6625	$ 354	261	$ 1.6731	$ 436	-	$ -	$ -	$ 436
October	97	$ 2.6625	$ 259	103	$ 1.6731	$ 172	-	$ -	$ -	$ 172
November	14	$ 2.6625	$ 37	15	$ 1.6731	$ 26	-	$ -	$ -	$ 26
December	13	$ 2.6625	$ 36	13	$ 1.6731	$ 23	-	$ -	$ -	$ 23
Total	1,104	$ 2.66	$ 2,940	1,457	$ 1.67	$ 2,438	-	$ -	$ -	$ 2,438

Add Extra Host Here (II)	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
February	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
March	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
April	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
May	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
June	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
July	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
August	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
September	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
October	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
November	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
December	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

Total	Network			Line Connection			Transformation Connection			Total Connection
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	150,258	$ 3.83	$ 575,471	155,732	$ 0.96	$ 149,513	123,560	$ 2.30	$ 284,188	$ 433,701
February	140,263	$ 3.83	$ 537,193	144,871	$ 0.96	$ 139,086	114,429	$ 2.30	$ 263,187	$ 402,273
March	131,372	$ 3.83	$ 503,127	138,083	$ 0.96	$ 132,575	105,599	$ 2.30	$ 242,878	$ 375,453
April	130,097	$ 3.83	$ 498,244	134,114	$ 0.96	$ 128,766	102,221	$ 2.30	$ 235,108	$ 363,874
May	175,974	$ 3.83	$ 673,844	180,339	$ 0.96	$ 173,221	140,320	$ 2.30	$ 322,736	$ 495,957
June	165,173	$ 3.83	$ 632,334	209,149	$ 0.96	$ 200,991	152,964	$ 2.30	$ 351,817	$ 552,808
July	195,469	$ 3.83	$ 748,393	199,164	$ 0.96	$ 191,407	156,627	$ 2.30	$ 360,242	$ 551,649
August	187,452	$ 3.83	$ 717,705	188,817	$ 0.96	$ 181,460	147,017	$ 2.30	$ 338,139	$ 519,599
September	189,745	$ 3.83	$ 726,568	192,862	$ 0.96	$ 185,333	149,907	$ 2.30	$ 344,786	$ 530,119
October	145,056	$ 3.83	$ 555,451	149,380	$ 0.96	$ 143,478	117,382	$ 2.30	$ 269,979	$ 413,456
November	142,760	$ 3.83	$ 546,754	154,271	$ 0.96	$ 148,111	115,310	$ 2.30	$ 265,213	$ 413,324
December	135,282	$ 3.83	$ 518,116	147,246	$ 0.96	$ 141,366	107,017	$ 2.30	$ 246,139	$ 387,505
Total	1,888,900	$ 3.83	$ 7,233,199	1,994,028	$ 0.96	$ 1,915,306	1,532,353	$ 2.30	$ 3,524,412	$ 5,439,718

Low Voltage Switchgear Credit (if applicable)	$ -
Total including deduction for Low Voltage Switchgear Credit	$ 5,439,718

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

The purpose of this table is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Rate Description	Unit	Current RTSR-Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0079	310,952,460	0	2,456,524	35.5%	2,529,380	0.0081
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0070	97,759,903	0	684,319	9.9%	704,615	0.0072
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.4118		1,447,503	3,491,088	50.4%	3,594,626	2.4833
Embedded Distributor Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.4118		95,219	229,649	3.3%	236,460	2.4833
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.2521		520	1,171	0.0%	1,206	2.3189
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.3204		22,227	51,576	0.7%	53,105	2.3892
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0042	1,545,347	0	6,490	0.1%	6,683	0.0043

The purpose of this table is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Rate Description	Unit	Current RTSR-Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR-Connection
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0061	310,952,460	0	1,896,810	35.8%	1,929,665	0.0062
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0054	97,759,903	0	527,903	10.0%	537,047	0.0055
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8282		1,447,503	2,646,325	50.0%	2,692,163	1.8599
Embedded Distributor Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8282		95,219	174,079	3.3%	177,095	1.8599
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7075		520	888	0.0%	903	1.7371
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.6878		22,227	37,515	0.7%	38,165	1.7170
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0054	1,545,347	0	8,345	0.2%	8,489	0.0055

The purpose of this table is to update the re-aligned RTS Network Rates to recover future wholesale network costs.

Rate Class	Rate Description	Unit	Adjusted RTSR-Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR-Network
Residential Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0081	310,952,460	0	2,529,380	35.5%	2,567,403	**0.0083**
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0072	97,759,903	0	704,615	9.9%	715,207	**0.0073**
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.4833		1,447,503	3,594,626	50.4%	3,648,663	**2.5207**
Embedded Distributor Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.4833		95,219	236,460	3.3%	240,015	**2.5207**
Sentinel Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.3189		520	1,206	0.0%	1,224	**2.3537**
Street Lighting Service Classification	Retail Transmission Rate - Network Service Rate	$/kW	2.3892		22,227	53,105	0.7%	53,903	**2.4251**
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Network Service Rate	$/kWh	0.0043	1,545,347	0	6,683	0.1%	6,783	**0.0044**

The purpose of this table is to update the re-aligned RTS Connection Rates to recover future wholesale connection costs.

Rate Class	Rate Description	Unit	Adjusted RTSR-Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR-Connection
Residential Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0062	310,952,460	0	1,929,665	35.8%	1,949,806	**0.0063**
General Service Less Than 50 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0055	97,759,903	0	537,047	10.0%	542,653	**0.0056**
General Service 50 To 4,999 kW Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8599		1,447,503	2,692,163	50.0%	2,720,262	**1.8793**
Embedded Distributor Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8599		95,219	177,095	3.3%	178,943	**1.8793**
Sentinel Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7371		520	903	0.0%	913	**1.7552**
Street Lighting Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7170		22,227	38,165	0.7%	38,563	**1.7350**
Unmetered Scattered Load Service Classification	Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0055	1,545,347	0	8,489	0.2%	8,578	**0.0056**

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

If applicable, please enter any adjustments related to the revenue to cost ratio model into columns C and E. The Price Escalator and Stretch Factor have been set at the 2018 values and will be updated by OEB staff at a later date.

Price Escalator	**1.20%**	**Productivity Factor**	**0.00%**
Choose Stretch Factor Group	III	**Price Cap Index**	**0.90%**
Associated Stretch Factor Value	**0.30%**		

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
RESIDENTIAL SERVICE CLASSIFICATION	23.5				0.90%	23.71	0.0000
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	30.77		0.0081		0.90%	31.05	0.0082
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	236.93		2.8643		0.90%	239.06	2.8901
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	362.56		2.0121		0.90%	365.82	2.0302
SENTINEL LIGHTING SERVICE CLASSIFICATION	4.24		20.3		0.90%	4.28	20.4827
STREET LIGHTING SERVICE CLASSIFICATION	1.45		6.0789		0.90%	1.46	6.1336
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	13.12		0.0091		0.90%	13.24	0.0092
STANDBY POWER SERVICE CLASSIFICATION	0		1.7389		0.90%	0.00	1.7546
MICROFIT SERVICE CLASSIFICATION	5.4					5.4	

If applicable, Wheeling Service Rate will be adjusted for PCI on Sheet 19.

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

Update the following rates if an OEB Decision has been issued at the time of completing this application

Regulatory Charges

Effective Date of Regulatory Charges		January 1, 2019	January 1, 2020
Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$/kWh	0.25	0.25

Time-of-Use RPP Prices

As of		May 1, 2019
Off-Peak	$/kWh	0.0650
Mid-Peak	$/kWh	0.0940
On-Peak	$/kWh	0.1340

Smart Meter Entity Charge (SME)

Smart Meter Entity Charge (SME)	$	0.57

Distribution Rate Protection (DRP) Amount (Applicable to LDCs under the Distribution Rate Protection program):	$	36.86

Miscellaneous Service Charges

Wireline Pole Attachment Charge	Unit	Current charge	Inflation factor *	Proposed charge ** / ***
Specific charge for access to the power poles - per pole/year	$	43.63	1.20%	44.15

Retail Service Charges		Current charge	Inflation factor*	Proposed charge ***
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00	1.20%	101.20
Monthly fixed charge, per retailer	$	40.00	1.20%	40.48
Monthly variable charge, per customer, per retailer	$/cust.	1.00	1.20%	1.01
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.60	1.20%	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.60)	1.20%	(0.61)
Service Transaction Requests (STR)				-
Request fee, per request, applied to the requesting party	$	0.50	1.20%	0.51
Processing fee, per request, applied to the requesting party	$	1.00	1.20%	1.01
Electronic Business Transaction (EBT) system, applied to the requesting party				
up to twice a year		no charge		no charge
more than twice a year, per request (plus incremental delivery costs)	$	4.00	1.20%	4.05
Notice of switch letter charge, per letter	$	2.00	1.20%	2.02

* inflation factor subject to change pending OEB approved inflation rate effective in 2020
** applicable only to LDCs in which the province-wide pole attachment charge applies
*** subject to change pending OEB order on miscellaneous service charges

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

In the Green Cells below, enter all proposed rate riders/rates. Please note that the following rates/charges are to be entered in the Final Tariff Schedule tab: Monthly Service Charge, Distribution Volumetric Rate and Retail Transmission Rates.
In column A, select the rate rider descriptions from the drop-down list in the blue cells. If the rate description cannot be found, enter the rate rider descriptions in the green cells. The rate rider description must begin with "Rate Rider for".
In column B, choose the associated unit from the drop-down menu.
In column C, enter the rate. All rate riders with a "$" unit should be rounded to 2 decimal places and all others rounded to 4 decimal places.
In column E, enter the expiry date (e.g. April 30, 2020) or description of the expiry date in text (e.g. the effective date of the next cost of service-based rate order).
In column G, a sub-total (A or B) should already be assigned to the rate rider unless the rate description was entered into a green cell in column A. In these particular cases, from the dropdown list in column G, choose the appropriate sub-total (A or B) . Sub-Total A refers to rates/rate riders that Not considered as pass through costs (eg: LRAMVA and ICM/ACM rate riders). Sub-Total B refers to rates/rate riders that are considered pass through costs.

RESIDENTIAL SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	1.75	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	3.98	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	70.44	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	1,215.36	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

SENTINEL LIGHTING SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	0.45	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

STREET LIGHTING SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	0.25	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
Rate Rider for Recovery of Incremental Capital	$	1.18	- effective until		A
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

STANDBY POWER SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

MICROFIT SERVICE CLASSIFICATION	UNIT	RATE		DATE (EG: April 30, 2020)	SUB-TOTAL
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		
			- effective until		

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2019-0022

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	23.71
Rate Rider for Recovery of Incremental Capital - effective until	$	1.75
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Retail Transmission Rate - Network Service Rate	$/kWh	0.0083
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0063

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2019-0022

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	31.05
Rate Rider for Recovery of Incremental Capital - effective until	$	3.98
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Distribution Volumetric Rate	$/kWh	0.0082
Retail Transmission Rate - Network Service Rate	$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0056

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2019-0022

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	239.06
Rate Rider for Recovery of Incremental Capital - effective until	$	70.44
Distribution Volumetric Rate	$/kW	2.8901
Retail Transmission Rate - Network Service Rate	$/kW	2.5207
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8793

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2019-0022

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Ontario Energy Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Approved on an Interim Basis

Service Charge	$	365.82
Rate Rider for Recovery of Incremental Capital - effective until	$	1,215.36
Distribution Volumetric Rate	$/kW	2.0302
Retail Transmission Rate - Network Service Rate	$/kW	2.5207
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.8793

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2019-0022

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.40

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

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EB-2019-0022

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	4.28
Rate Rider for Recovery of Incremental Capital - effective until	$	0.45
Distribution Volumetric Rate	$/kW	20.4827
Retail Transmission Rate - Network Service Rate	$/kW	2.3537
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7552

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

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EB-2019-0022

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photocells. The consumption for these customers will be based on the calculated load times the required lighting times established in the approved Ontario Energy Board street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	1.46
Rate Rider for Recovery of Incremental Capital - effective until	$	0.25
Distribution Volumetric Rate	$/kW	6.1336
Retail Transmission Rate - Network Service Rate	$/kW	2.4251
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.7350

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

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EB-2019-0022

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone boots, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	13.24
Rate Rider for Recovery of Incremental Capital - effective until	$	1.18
Distribution Volumetric Rate	$/kWh	0.0092
Retail Transmission Rate - Network Service Rate	$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0056

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0030
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0005
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2020

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EB-2019-0022

STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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MONTHLY RATES AND CHARGES - Delivery Component - Approved on an Interim Basis

Standby Charge - for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of the generation facility).	$/kW	1.7546

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

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EB-2019-0022

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

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Customer Administration		
Easement letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque (plus bank charges)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Non-Payment of Account		
Late payment - per month	%	1.50
Late payment - per annum	%	19.56
Collection of account charge - no disconnection	$	30.00
Disconnect/reconnect at meter - during regular hours	$	65.00
Disconnect/reconnect at meter - after regular hours	$	185.00
Disconnect/reconnect at pole - during regular hours	$	185.00
Disconnect/reconnect at pole - after regular hours	$	415.00
Install/remove load control device - during regular hours	$	65.00
Install/remove load control device - after regular hours	$	185.00
Other		
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service - install & remove - underground - no transformer	$	300.00
Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)	$	44.15
Meter removal without authorization	$	60.00

Brantford Power Inc.

TARIFF OF RATES AND CHARGES

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EB-2019-0022

RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	101.20
Monthly fixed charge, per retailer	$	40.48
Monthly variable charge, per customer, per retailer	$/cust.	1.01
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.61
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.61)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.51
Processing fee, per request, applied to the requesting party	$	1.01
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
up to twice a year	$	no charge
more than twice a year, per request (plus incremental delivery costs)	$	4.05

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.032
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0218

Ontario Energy Board

Incentive Rate-setting Mechanism Rate Generator for 2020 Filers

The bill comparisons below must be provided for typical customers and consumption levels. Bill impacts must be provided for residential customers consuming 750 kWh per month and general service customers consuming 2,000 kWh per month and having a monthly demand of less than 50 kW. Include bill comparisons for Non-RPP (retailer) as well. **To assess the combined effects of the shift to fixed rates and other bill impacts associated with changes in the cost of distribution service, applicants are to include a total bill impact for a residential customer at the distributor's 10th consumption percentile (In other words, 10% of a distributor's residential customers consume at or less than this level of consumption on a monthly basis). Refer to section 3.2.3 of the Chapter 3 Filing Requirements For Electricity Distribution Rate Applications.**

For certain classes where one or more customers have unique consumption and demand patterns and which may be significantly impacted by the proposed rate changes, the distributor must show a typical comparison, and provide an explanation.

Note:
1. For those classes that are not eligible for the RPP price, the weighted average price including Class B GA through end of May 2018 of $0.1117/kWh (IESO's Monthly Market Report for May 2018, page 22) has been used to represent the cost of power. For those classes on a retailer contract, applicants should enter the contract price (plus GA) for a more accurate estimate. Changes to the cost of power can be made directly on the bill impact table for the specific class.
2. Please enter the applicable billing determinant (e.g. number of connections or devices) to be applied to the monthly service charge for unmetered rate classes in column N. If the monthly service charge is applied on a per customer basis, enter the number "1". Distributors should provide the number of connections or devices reflective of a typical customer in each class.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Table 1

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	**Units**	**RPP? Non-RPP Retailer? Non-RPP Other?**	**Current Loss Factor** (eg: 1.0351)	**Proposed Loss Factor**	**Consumption (kWh)**	**Demand kW (if applicable)**	**RTSR Demand or Demand-Interval?**	**Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections).**
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.032	1.032	750		CONSUMPTION	
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	RPP	1.032	1.032	2,000		CONSUMPTION	
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.032	1.032	100,000	250	DEMAND	
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.032	1.032	2,000,000	12,000	DEMAND	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.032	1.032	55	1	DEMAND	1
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.032	1.032	622,000	1,900	DEMAND	5,849
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.032	1.032	280		CONSUMPTION	1
STANDBY POWER SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.032	1.032	-			
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				
Add additional scenarios if required			1.032	1.032				

Table 2

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	Sub-Total A		Sub-Total B		Sub-Total C		Total Total Bill	
		$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	$ 1.59	6.6%	$ 3.24	13.1%	$ 3.70	10.4%	$ 3.88	3.7%
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION - RPP	kWh	$ 2.66	5.5%	$ 7.06	14.1%	$ 8.09	10.7%	$ 8.50	3.3%
GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 59.87	6.2%	$ 558.02	117.7%	$ 598.02	39.0%	$ 675.76	4.5%
EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 1,435.82	5.9%	$ (1,870.18)	-6.7%	$ 49.82	0.1%	$ 56.30	0.0%
SENTINEL LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 0.67	2.7%	$ 1.55	6.5%	$ 1.70	6.1%	$ 1.92	4.9%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ 1,624.67	8.1%	$ 4,831.31	28.7%	$ 5,119.92	20.9%	$ 5,785.51	5.2%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Other)	kWh	$ 1.33	8.5%	$ 2.00	12.5%	$ 2.12	11.3%	$ 2.39	4.2%
STANDBY POWER SERVICE CLASSIFICATION - Non-RPP (Other)	kW	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%

Customer Class:	RESIDENTIAL SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	750	kWh
Demand	-	kW
Current Loss Factor	1.0320	
Proposed/Approved Loss Factor	1.0320	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 23.50	1	$ 23.50	$ 23.71	1	$ 23.71	$ 0.21	0.89%
Distribution Volumetric Rate	$ -	750	$ -	$ -	750	$ -	$ -	
Fixed Rate Riders	$ -	1	$ -	$ 1.75	1	$ 1.75	$ 1.75	
Volumetric Rate Riders	$ 0.0005	750	$ 0.38	$ -	750	$ -	$ (0.38)	-100.00%
Sub-Total A (excluding pass through)			**$ 23.88**			**$ 25.46**	**$ 1.59**	**6.64%**
Line Losses on Cost of Power	$ 0.0824	24	$ 1.98	$ 0.0824	24	$ 1.98	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.0020	750	$ (1.50)	$ -	750	$ -	$ 1.50	-100.00%
CBR Class B Rate Riders	-$ 0.0002	750	$ (0.15)	$ -	750	$ -	$ 0.15	-100.00%
GA Rate Riders	$ -	750	$ -	$ -	750	$ -	$ -	
Low Voltage Service Charge	$ -	750	$ -		750	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		750	$ -	$ -	750	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 24.77**			**$ 28.01**	**$ 3.24**	**13.06%**
RTSR - Network	$ 0.0079	774	$ 6.11	$ 0.0083	774	$ 6.42	$ 0.31	5.06%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0061	774	$ 4.72	$ 0.0063	774	$ 4.88	$ 0.15	3.28%
Sub-Total C - Delivery (including Sub-Total B)			**$ 35.61**			**$ 39.31**	**$ 3.70**	**10.39%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	774	$ 2.63	$ 0.0034	774	$ 2.63	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	774	$ 0.39	$ 0.0005	774	$ 0.39	$ -	0.00%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
TOU - Off Peak	$ 0.0650	488	$ 31.69	$ 0.0650	488	$ 31.69	$ -	0.00%
TOU - Mid Peak	$ 0.0940	128	$ 11.99	$ 0.0940	128	$ 11.99	$ -	0.00%
TOU - On Peak	$ 0.1340	135	$ 18.09	$ 0.1340	135	$ 18.09	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 100.64**			**$ 104.34**	**$ 3.70**	**3.68%**
HST	13%		$ 13.08	13%		$ 13.56	$ 0.48	3.68%
8% Rebate	8%		$ (8.05)	8%		$ (8.35)	$ (0.30)	
Total Bill on TOU			**$ 105.67**			**$ 109.55**	**$ 3.88**	**3.68%**

In the manager's summary, discuss the reasor

Customer Class:	GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	
RPP / Non-RPP:	RPP	
Consumption	2,000	kWh
Demand	-	kW
Current Loss Factor	1.0320	
Proposed/Approved Loss Factor	1.0320	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 30.77	1	$ 30.77	$ 31.05	1	$ 31.05	$ 0.28	0.91%
Distribution Volumetric Rate	$ 0.0081	2000	$ 16.20	$ 0.0082	2000	$ 16.40	$ 0.20	1.23%
Fixed Rate Riders	$ -	1	$ -	$ 3.98	1	$ 3.98	$ 3.98	
Volumetric Rate Riders	$ 0.0009	2000	$ 1.80	$ -	2000	$ -	$ (1.80)	-100.00%
Sub-Total A (excluding pass through)			**$ 48.77**			**$ 51.43**	**$ 2.66**	**5.45%**
Line Losses on Cost of Power	$ 0.0824	64	$ 5.27	$ 0.0824	64	$ 5.27	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.0020	2,000	$ (4.00)	$ -	2,000	$ -	$ 4.00	-100.00%
CBR Class B Rate Riders	-$ 0.0002	2,000	$ (0.40)	$ -	2,000	$ -	$ 0.40	-100.00%
GA Rate Riders	$ -	2,000	$ -	$ -	2,000	$ -	$ -	
Low Voltage Service Charge	$ -	2,000	$ -		2,000	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ 0.57	1	$ 0.57	$ 0.57	1	$ 0.57	$ -	0.00%
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		2,000	$ -	$ -	2,000	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 50.21**			**$ 57.27**	**$ 7.06**	**14.06%**
RTSR - Network	$ 0.0070	2,064	$ 14.45	$ 0.0073	2,064	$ 15.07	$ 0.62	4.29%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0054	2,064	$ 11.15	$ 0.0056	2,064	$ 11.56	$ 0.41	3.70%
Sub-Total C - Delivery (including Sub-Total B)			**$ 75.80**			**$ 83.90**	**$ 8.09**	**10.67%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	2,064	$ 7.02	$ 0.0034	2,064	$ 7.02	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	2,064	$ 1.03	$ 0.0005	2,064	$ 1.03	$ -	0.00%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
TOU - Off Peak	$ 0.0650	1,300	$ 84.50	$ 0.0650	1,300	$ 84.50	$ -	0.00%
TOU - Mid Peak	$ 0.0940	340	$ 31.96	$ 0.0940	340	$ 31.96	$ -	0.00%
TOU - On Peak	$ 0.1340	360	$ 48.24	$ 0.1340	360	$ 48.24	$ -	0.00%
Total Bill on TOU (before Taxes)			**$ 248.80**			**$ 256.90**	**$ 8.09**	**3.25%**
HST	13%		$ 32.34	13%		$ 33.40	$ 1.05	3.25%
8% Rebate	8%		$ (19.90)	8%		$ (20.55)	$ (0.65)	
Total Bill on TOU			**$ 261.24**			**$ 269.74**	**$ 8.50**	**3.25%**

In the manager's summary, discuss the reasor

Customer Class:	**GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION**	
RPP / Non-RPP:	**Non-RPP (Other)**	
Consumption	**100,000**	**kWh**
Demand	**250**	**kW**
Current Loss Factor	**1.0320**	
Proposed/Approved Loss Factor	**1.0320**	

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 236.93	1	$ 236.93	$ 239.06	1	$ 239.06	$ 2.13	0.90%	
Distribution Volumetric Rate	$ 2.8643	250	$ 716.08	$ 2.8901	250	$ 722.53	$ 6.45	0.90%	
Fixed Rate Riders	$ -	1	$ -	$ 70.44	1	$ 70.44	$ 70.44		
Volumetric Rate Riders	$ 0.0766	250	$ 19.15	$ -	250	$ -	$ (19.15)	-100.00%	
Sub-Total A (excluding pass through)			**$ 972.16**			**$ 1,032.03**	**$ 59.87**	**6.16%**	
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -		
Total Deferral/Variance Account Rate Riders	-$ 0.7369	250	$ (184.23)	$ -	250	$ -	$ 184.23	-100.00%	
CBR Class B Rate Riders	-$ 0.0557	250	$ (13.93)	$ -	250	$ -	$ 13.93	-100.00%	
GA Rate Riders	-$ 0.0030	100,000	$ (300.00)	$ -	100,000	$ -	$ 300.00	-100.00%	
Low Voltage Service Charge	$ -	250	$ -		250	$ -	$ -		
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		250	$ -	$ -	250	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 474.01**			**$ 1,032.03**	**$ 558.02**	**117.72%**	
RTSR - Network	$ 2.4118	250	$ 602.95	$ 2.5207	250	$ 630.18	$ 27.23	4.52%	*In the manager's summary, discuss the reason*
RTSR - Connection and/or Line and Transformation Connection	$ 1.8282	250	$ 457.05	$ 1.8793	250	$ 469.83	$ 12.78	2.80%	
Sub-Total C - Delivery (including Sub-Total B)			**$ 1,534.01**			**$ 2,132.03**	**$ 598.02**	**38.98%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	103,200	$ 350.88	$ 0.0034	103,200	$ 350.88	$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	103,200	$ 51.60	$ 0.0005	103,200	$ 51.60	$ -	0.00%	
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%	
Average IESO Wholesale Market Price	$ 0.1101	103,200	$ 11,362.32	$ 0.1101	103,200	$ 11,362.32	$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			**$ 13,299.06**			**$ 13,897.08**	**$ 598.02**	**4.50%**	
HST	13%		$ 1,728.88	13%		$ 1,806.62	$ 77.74	4.50%	
Total Bill on Average IESO Wholesale Market Price			**$ 15,027.93**			**$ 15,703.69**	**$ 675.76**	**4.50%**	

Customer Class:	**EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION**	
RPP / Non-RPP:	**Non-RPP (Other)**	
Consumption	**2,000,000**	**kWh**
Demand	**12,000**	**kW**
Current Loss Factor	**1.0320**	
Proposed/Approved Loss Factor	**1.0320**	

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	**$ 362.56**	1	$ 362.56	**$ 365.82**	**1**	**$ 365.82**	$ 3.26	0.90%	
Distribution Volumetric Rate	**$ 2.0121**	12000	$ 24,145.20	**$ 2.0302**	**12000**	**$ 24,362.40**	$ 217.20	0.90%	
Fixed Rate Riders	**$ -**	1	$ -	**$ 1,215.36**	**1**	**$ 1,215.36**	$ 1,215.36		
Volumetric Rate Riders	**$ -**	12000	$ -	**$ -**	**12000**	**$ -**	$ -		
Sub-Total A (excluding pass through)			**$ 24,507.76**			**$ 25,943.58**	**$ 1,435.82**	**5.86%**	
Line Losses on Cost of Power	**$ -**	-	$ -	**$ -**	**-**	**$ -**	$ -		
Total Deferral/Variance Account Rate Riders	**$ 0.2755**	12,000	$ 3,306.00	**$ -**	**12,000**	**$ -**	$ (3,306.00)	-100.00%	
CBR Class B Rate Riders	**$ -**	12,000	$ -	**$ -**	**12,000**	**$ -**	$ -		
GA Rate Riders	**$ -**	2,000,000	$ -	**$ -**	**2,000,000**	**$ -**	$ -		
Low Voltage Service Charge	**$ -**	12,000	$ -		**12,000**	**$ -**	$ -		
Smart Meter Entity Charge (if applicable)	**$ -**	1	$ -	**$ -**	**1**	**$ -**	$ -		
Additional Fixed Rate Riders	**$ -**	1	$ -	**$ -**	**1**	**$ -**	$ -		
Additional Volumetric Rate Riders		12,000	$ -	**$ -**	**12,000**	**$ -**	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 27,813.76**			**$ 25,943.58**	**$ (1,870.18)**	**-6.72%**	
RTSR - Network	**$ 2.4118**	12,000	$ 28,941.60	**$ 2.5207**	**12,000**	**$ 30,248.40**	$ 1,306.80	4.52%	*In the manager's summary, discuss the reason*
RTSR - Connection and/or Line and Transformation Connection	**$ 1.8282**	12,000	$ 21,938.40	**$ 1.8793**	**12,000**	**$ 22,551.60**	$ 613.20	2.80%	
Sub-Total C - Delivery (including Sub-Total B)			**$ 78,693.76**			**$ 78,743.58**	**$ 49.82**	**0.06%**	
Wholesale Market Service Charge (WMSC)		2,064,000	$ -		**2,064,000**	**$ -**	$ -		
Rural and Remote Rate Protection (RRRP)		2,064,000	$ -		**2,064,000**	**$ -**	$ -		
Standard Supply Service Charge		1	$ -		**1**	**$ -**	$ -		
Average IESO Wholesale Market Price	**$ 0.1101**	2,064,000	$ 227,246.40	**$ 0.1101**	**2,064,000**	**$ 227,246.40**	$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			**$ 305,940.16**			**$ 305,989.98**	**$ 49.82**	**0.02%**	
HST	13%		$ 39,772.22	13%		$ 39,778.70	$ 6.48	0.02%	
Total Bill on Average IESO Wholesale Market Price			**$ 345,712.38**			**$ 345,768.68**	**$ 56.30**	**0.02%**	

Customer Class:	**SENTINEL LIGHTING SERVICE CLASSIFICATION**	
RPP / Non-RPP:	**Non-RPP (Other)**	
Consumption	**55**	**kWh**
Demand	**1**	**kW**
Current Loss Factor	**1.0320**	
Proposed/Approved Loss Factor	**1.0320**	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 4.24	1	$ 4.24	$ 4.28	1	$ 4.28	$ 0.04	0.94%
Distribution Volumetric Rate	$ 20.3000	1	$ 20.30	$ 20.4827	1	$ 20.48	$ 0.18	0.90%
Fixed Rate Riders	$ -	1	$ -	$ 0.45	1	$ 0.45	$ 0.45	
Volumetric Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 24.54**			**$ 25.21**	**$ 0.67**	**2.74%**
Line Losses on Cost of Power	$ 0.1101	2	$ 0.19	$ 0.1101	2	$ 0.19	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.6492	1	$ (0.65)	$ -	1	$ -	$ 0.65	-100.00%
CBR Class B Rate Riders	-$ 0.0544	1	$ (0.05)	$ -	1	$ -	$ 0.05	-100.00%
GA Rate Riders	-$ 0.0031	55	$ (0.17)	$ -	55	$ -	$ 0.17	-100.00%
Low Voltage Service Charge	$ -	1	$ -		1	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		1	$ -	$ -	1	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 23.86**			**$ 25.41**	**$ 1.55**	**6.48%**
RTSR - Network	$ 2.2521	1	$ 2.25	$ 2.3537	1	$ 2.35	$ 0.10	4.51%
RTSR - Connection and/or Line and Transformation Connection	$ 1.7075	1	$ 1.71	$ 1.7552	1	$ 1.76	$ 0.05	2.79%
Sub-Total C - Delivery (including Sub-Total B)			**$ 27.82**			**$ 29.52**	**$ 1.70**	**6.10%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	57	$ 0.19	$ 0.0034	57	$ 0.19	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	57	$ 0.03	$ 0.0005	57	$ 0.03	$ -	0.00%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	55	$ 6.06	$ 0.1101	55	$ 6.06	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			**$ 34.35**			**$ 36.04**	**$ 1.70**	**4.94%**
HST	13%		$ 4.46	13%		$ 4.69	$ 0.22	4.94%
Total Bill on Average IESO Wholesale Market Price			**$ 38.81**			**$ 40.73**	**$ 1.92**	**4.94%**

In the manager's summary, discuss the reason

Customer Class:	**STREET LIGHTING SERVICE CLASSIFICATION**	
RPP / Non-RPP:	**Non-RPP (Other)**	
Consumption	**622,000**	**kWh**
Demand	**1,900**	**kW**
Current Loss Factor	**1.0320**	
Proposed/Approved Loss Factor	**1.0320**	

	Current OEB-Approved			Proposed			Impact		
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change	
Monthly Service Charge	$ 1.45	5849	$ 8,481.05	$ 1.46	5849	$ 8,539.54	$ 58.49	0.69%	
Distribution Volumetric Rate	$ 6.0789	1900	$ 11,549.91	$ 6.1336	1900	$ 11,653.84	$ 103.93	0.90%	
Fixed Rate Riders	$ -	5849	$ -	$ 0.25	5849	$ 1,462.25	$ 1,462.25		
Volumetric Rate Riders	$ -	1900	$ -	$ -	1900	$ -	$ -		
Sub-Total A (excluding pass through)			**$ 20,030.96**			**$ 21,655.63**	**$ 1,624.67**	**8.11%**	
Line Losses on Cost of Power	$ -	-	$ -	$ -	-	$ -	$ -		
Total Deferral/Variance Account Rate Riders	-$ 0.6505	1,900	$ (1,235.95)	$ -	1,900	$ -	$ 1,235.95	-100.00%	
CBR Class B Rate Riders	-$ 0.0551	1,900	$ (104.69)	$ -	1,900	$ -	$ 104.69	-100.00%	
GA Rate Riders	-$ 0.0030	622,000	$ (1,866.00)	$ -	622,000	$ -	$ 1,866.00	-100.00%	
Low Voltage Service Charge	$ -	1,900	$ -		1,900	$ -	$ -		
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -		
Additional Volumetric Rate Riders		1,900	$ -	$ -	1,900	$ -	$ -		
Sub-Total B - Distribution (includes Sub-Total A)			**$ 16,824.32**			**$ 21,655.63**	**$ 4,831.31**	**28.72%**	
RTSR - Network	$ 2.3204	1,900	$ 4,408.76	$ 2.4251	1,900	$ 4,607.69	$ 198.93	4.51%	*In the manager's summary, discuss the reason*
RTSR - Connection and/or Line and Transformation Connection	$ 1.6878	1,900	$ 3,206.82	$ 1.7350	1,900	$ 3,296.50	$ 89.68	2.80%	
Sub-Total C - Delivery (including Sub-Total B)			**$ 24,439.90**			**$ 29,559.82**	**$ 5,119.92**	**20.95%**	
Wholesale Market Service Charge (WMSC)	$ 0.0034	641,904	$ 2,182.47	$ 0.0034	641,904	$ 2,182.47	$ -	0.00%	
Rural and Remote Rate Protection (RRRP)	$ 0.0005	641,904	$ 320.95	$ 0.0005	641,904	$ 320.95	$ -	0.00%	
Standard Supply Service Charge	$ 0.25	5849	$ 1,462.25	$ 0.25	5849	$ 1,462.25	$ -	0.00%	
Average IESO Wholesale Market Price	$ 0.1101	641,904	$ 70,673.63	$ 0.1101	641,904	$ 70,673.63	$ -	0.00%	
Total Bill on Average IESO Wholesale Market Price			**$ 99,079.21**			**$ 104,199.13**	**$ 5,119.92**	**5.17%**	
HST	13%		$ 12,880.30	13%		$ 13,545.89	$ 665.59	5.17%	
Total Bill on Average IESO Wholesale Market Price			**$ 111,959.50**			**$ 117,745.01**	**$ 5,785.51**	**5.17%**	

Customer Class:	UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	280 kWh
Demand	- kW
Current Loss Factor	1.0320
Proposed/Approved Loss Factor	1.0320

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ 13.12	1	$ 13.12	$ 13.24	1	$ 13.24	$ 0.12	0.91%
Distribution Volumetric Rate	$ 0.0091	280	$ 2.55	$ 0.0092	280	$ 2.58	$ 0.03	1.10%
Fixed Rate Riders	$ -	1	$ -	$ 1.18	1	$ 1.18	$ 1.18	
Volumetric Rate Riders	$ -	280	$ -	$ -	280	$ -	$ -	
Sub-Total A (excluding pass through)			**$ 15.67**			**$ 17.00**	**$ 1.33**	**8.48%**
Line Losses on Cost of Power	$ 0.1101	9	$ 0.99	$ 0.1101	9	$ 0.99	$ -	0.00%
Total Deferral/Variance Account Rate Riders	-$ 0.0022	280	$ (0.62)	$ -	280	$ -	$ 0.62	-100.00%
CBR Class B Rate Riders	-$ 0.0002	280	$ (0.06)	$ -	280	$ -	$ 0.06	-100.00%
GA Rate Riders	$ -	280	$ -	$ -	280	$ -	$ -	
Low Voltage Service Charge	$ -	280	$ -		280	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		280	$ -	$ -	280	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			**$ 15.98**			**$ 17.98**	**$ 2.00**	**12.51%**
RTSR - Network	$ 0.0042	289	$ 1.21	$ 0.0044	289	$ 1.27	$ 0.06	4.76%
RTSR - Connection and/or Line and Transformation Connection	$ 0.0054	289	$ 1.56	$ 0.0056	289	$ 1.62	$ 0.06	3.70%
Sub-Total C - Delivery (including Sub-Total B)			**$ 18.76**			**$ 20.87**	**$ 2.12**	**11.28%**
Wholesale Market Service Charge (WMSC)	$ 0.0034	289	$ 0.98	$ 0.0034	289	$ 0.98	$ -	0.00%
Rural and Remote Rate Protection (RRRP)	$ 0.0005	289	$ 0.14	$ 0.0005	289	$ 0.14	$ -	0.00%
Standard Supply Service Charge	$ 0.25	1	$ 0.25	$ 0.25	1	$ 0.25	$ -	0.00%
Average IESO Wholesale Market Price	$ 0.1101	280	$ 30.83	$ 0.1101	280	$ 30.83	$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			**$ 50.96**			**$ 53.08**	**$ 2.12**	**4.15%**
HST	13%		$ 6.62	13%		$ 6.90	$ 0.28	4.15%
Total Bill on Average IESO Wholesale Market Price			**$ 57.59**			**$ 59.98**	**$ 2.39**	**4.15%**

In the manager's summary, discuss the reason

Customer Class:	**STANDBY POWER SERVICE CLASSIFICATION**	
RPP / Non-RPP:	**Non-RPP (Other)**	
Consumption	-	**kWh**
Demand	-	**kW**
Current Loss Factor	1.0320	
Proposed/Approved Loss Factor	1.0320	

	Current OEB-Approved			Proposed			Impact	
	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
Monthly Service Charge	$ -	1	$ -	$ -	1	$ -	$ -	
Distribution Volumetric Rate	$ 1.7389	0	$ -	$ 1.7546	0	$ -	$ -	
Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Volumetric Rate Riders	$ -	0	$ -	$ -	0	$ -	$ -	
Sub-Total A (excluding pass through)			$ -			$ -	$ -	
Line Losses on Cost of Power	$ 0.1101	-	$ -	$ 0.1101	-	$ -	$ -	
Total Deferral/Variance Account Rate Riders	$ -	-	$ -	$ -	-	$ -	$ -	
CBR Class B Rate Riders	$ -	-	$ -	$ -	-	$ -	$ -	
GA Rate Riders	$ -	-	$ -	$ -	-	$ -	$ -	
Low Voltage Service Charge	$ -	-	$ -		-	$ -	$ -	
Smart Meter Entity Charge (if applicable)	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Fixed Rate Riders	$ -	1	$ -	$ -	1	$ -	$ -	
Additional Volumetric Rate Riders		-	$ -	$ -	-	$ -	$ -	
Sub-Total B - Distribution (includes Sub-Total A)			$ -			$ -	$ -	
RTSR - Network	$ -	-	$ -	$ -	-	$ -	$ -	
RTSR - Connection and/or Line and Transformation Connection	$ -	-	$ -	$ -	-	$ -	$ -	
Sub-Total C - Delivery (including Sub-Total B)			$ -			$ -	$ -	
Wholesale Market Service Charge (WMSC)		-	$ -		-	$ -	$ -	
Rural and Remote Rate Protection (RRRP)		-	$ -		-	$ -	$ -	
Standard Supply Service Charge		1	$ -		1	$ -	$ -	
Average IESO Wholesale Market Price	$ 0.1101	-	$ -	$ 0.1101	-	$ -	$ -	
Total Bill on Average IESO Wholesale Market Price			$ -			$ -	$ -	
HST	13%		$ -	13%		$ -	$ -	
Total Bill on Average IESO Wholesale Market Price			$ -			$ -	$ -	

Interrogatory Attachment B

Updated 2020 ICM Model (excel)

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Select the appropriate rate classes as they appear on your most recent Board-Approved Tariff of Rates and Charges, excluding the MicroFit Class.

How many classes are on your most recent Board-Approved Tariff of Rates and Charges? **8**

Select Your Rate Classes from the **Blue Cells** below. Please ensure that a rate class is assigned to **each shaded cell.**

	Rate Class Classification
1	RESIDENTIAL
2	GENERAL SERVICE LESS THAN 50 kW
3	GENERAL SERVICE 50 TO 4,999 KW
4	EMBEDDED DISTRIBUTOR
5	SENTINEL LIGHTING
6	STREET LIGHTING
7	UNMETERED SCATTERED LOAD
8	STANDBY POWER

Ontario Energy Board

Capital Module
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Brantford Power Inc.

Input the billing determinants associated with Brantford Power Inc.'s Revenues Based on 2018 Actual Distribution Demand. Input the current approved distribution rates. Sheets 4 & 5 calculate the NUMERATOR portion of the growth factor calculation.

		2018 Actual Distribution Demand			Current Approved Distribution Rates		
Rate Class	**Units**	**Billed Customers or Connections**	**Billed kWh**	**Billed kW (if applicable)**	**Monthly Service Charge**	**Distribution Volumetric Rate kWh**	**Distribution Volumetric Rate kW**
RESIDENTIAL	$/kWh	36,595	301,310,523		23.50	0.0000	0.0000
GENERAL SERVICE LESS THAN 50 kW	$/kWh	2,822	94,728,588		30.77	0.0081	0.0000
GENERAL SERVICE 50 TO 4,999 KW	$/kW	487	535,922,956	1,447,503	236.93	0.0000	2.8643
EMBEDDED DISTRIBUTOR	$/kW	1	41,227,723	95,219	362.56	0.0000	2.0121
SENTINEL LIGHTING	$/kW	505	190,023	520	4.24	0.0000	20.3000
STREET LIGHTING	$/kW	5,771	7,191,580	22,227	1.45	0.0000	6.0789
UNMETERED SCATTERED LOAD	$/kWh	408	1,497,429		13.12	0.0091	0.0000
STANDBY POWER	$/kW				0.00	0.0000	1.7389

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Calculation of pro forma 2017 Revenues. No input required.

	2018 Actual Distribution Demand			Current Approved Distribution Rates										
Rate Class	Billed Customers or Connections	Billed kWh	Billed kW (if applicable)	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenues from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
	A	B	C	D	E	F	G	H	I	J	K = G / J	L = H / J	M = I / J	N
RESIDENTIAL	36,595	301,310,523		23.50	0.0000	0.0000	10,319,790	0	0	10,319,790	100.0%	0.0%	0.0%	56.7%
GENERAL SERVICE LESS THAN 50 kW	2,822	94,728,588		30.77	0.0081	0.0000	1,041,995	767,302	0	1,809,297	57.6%	42.4%	0.0%	9.9%
GENERAL SERVICE 50 TO 4,999 KW	487	535,922,956	1,447,503	236.93	0.0000	2.8643	1,384,619	0	4,146,083	5,530,702	25.0%	0.0%	75.0%	30.4%
EMBEDDED DISTRIBUTOR	1	41,227,723	95,219	362.56	0.0000	2.0121	4,351	0	191,590	195,941	2.2%	0.0%	97.8%	1.1%
SENTINEL LIGHTING	505	190,023	520	4.24	0.0000	20.3000	25,694	0	10,556	36,250	70.9%	0.0%	29.1%	0.2%
STREET LIGHTING	5,771	7,191,580	22,227	1.45	0.0000	6.0789	100,415	0	135,116	235,531	42.6%	0.0%	57.4%	1.3%
UNMETERED SCATTERED LOAD	408	1,497,429		13.12	0.0091	0.0000	64,236	13,627	0	77,862	82.5%	17.5%	0.0%	0.4%
STANDBY POWER				0.00	0.0000	1.7389	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Total	**46,589**	**982,068,822**	**1,565,469**				**12,941,100**	**780,928**	**4,483,345**	**18,205,373**				**100.0%**

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Applicants Rate Base

Last COS Rebasing: 2017

Average Net Fixed Assets

Gross Fixed Assets - Re-based Opening	$ 108,934,858	A			
Add: CWIP Re-based Opening		B			
Re-based Capital Additions	$ 3,828,988	C			
Re-based Capital Disposals	-$ 230,000	D			
Re-based Capital Retirements		E			
Deduct: CWIP Re-based Closing		F			
Gross Fixed Assets - Re-based Closing	$ 112,533,846	G			
Average Gross Fixed Assets			$	110,734,352	H = (A + G) / 2
Accumulated Depreciation - Re-based Opening	$ 44,708,799	I			
Re-based Depreciation Expense	$ 3,503,507	J			
Re-based Disposals	-$ 130,000	K			
Re-based Retirements		L			
Accumulated Depreciation - Re-based Closing	$ 48,082,306	M			
Average Accumulated Depreciation			$	46,395,553	N = (I + M) / 2
Average Net Fixed Assets			**$**	**64,338,800**	O = H - N

Working Capital Allowance

Working Capital Allowance Base	$ 128,865,800	P			
Working Capital Allowance Rate	7.5%	Q			
Working Capital Allowance			**$**	**9,664,935**	R = P * Q
Rate Base			**$**	**74,003,735**	S = O + R

Return on Rate Base

Deemed ShortTerm Debt %	4.00%	T	$	2,960,149	W = S * T
Deemed Long Term Debt %	56.00%	U	$	41,442,091	X = S * U
Deemed Equity %	40.00%	V	$	29,601,494	Y = S * V
Short Term Interest	1.76%	Z	$	52,099	AC = W * Z
Long Term Interest	4.29%	AA	$	1,777,125	AD = X * AA
Return on Equity	8.78%	AB	$	2,599,011	AE = Y * AB
Return on Rate Base			**$**	**4,428,235**	AF = AC + AD + AE

Distribution Expenses

OM&A Expenses	$ 10,091,665	AG			
Amortization	$ 3,389,079	AH			
Ontario Capital Tax	$ -	AI			
Grossed Up Taxes/PILs	$ 504,976	AJ			
Low Voltage	$ -	AK			
Transformer Allowance	$ 478,993	AL			
		AM			
		AN			
		AO			
			$	**14,464,713**	AP = SUM (AG : AO)

Revenue Offsets

Specific Service Charges	-$ 651,903	AQ			
Late Payment Charges	-$ 235,599	AR			
Other Distribution Income	-$ 264,212	AS			
Other Income and Deductions	-$ 163,286	AT	**-$**	**1,315,000**	AU = SUM (AQ : AT)
Revenue Requirement from Distribution Rates			**$**	**17,577,948**	AV = AF + AP + AU

Rate Classes Revenue

Rate Classes Revenue - Total (Sheet 4)		$	18,205,373	AW

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Input the billing determinants associated with Brantford Power Inc.'s Revenues Based on 2017 Board-Approved Distribution Demand. This sheet calculates the DENOMINATOR portion of the growth factor calculation.
Pro forma Revenue Calculation.

	2017 Board-Approved Distribution Demand			Current Approved Distribution Rates											
Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Total Revenue By Rate Class	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
	A	B	C	D	E	F	G	H	I	J	K = G / J_{total}	L = H / J_{total}	M = I / J_{total}	N
RESIDENTIAL	36,433	301,593,274		23.50	0.0000	0.0000	10,274,106	0	0	10,274,106	57.2%	0.0%	0.0%	57.2%
GENERAL SERVICE LESS THAN 50 kW	2,840	103,442,407		30.77	0.0081	0.0000	1,048,642	837,883	0	1,886,525	5.8%	4.7%	0.0%	10.5%
GENERAL SERVICE 50 TO 4,999 KW	449	496,695,575	1,342,821	236.93	0.0000	2.8643	1,276,579	0	3,846,242	5,122,821	7.1%	0.0%	21.4%	28.5%
EMBEDDED DISTRIBUTOR	2	51,013,084	139,437	362.56	0.0000	2.0121	8,701	0	280,561	289,263	0.0%	0.0%	1.6%	1.6%
SENTINEL LIGHTING	597	382,297	1,155	4.24	0.0000	20.3000	30,375	0	23,447	53,822	0.2%	0.0%	0.1%	0.3%
STREET LIGHTING	5,849	7,460,329	22,796	1.45	0.0000	6.0789	101,773	0	138,575	240,347	0.6%	0.0%	0.8%	1.3%
UNMETERED SCATTERED LOAD	425	1,405,154		13.12	0.0091	0.0000	66,912	12,787	0	79,699	0.4%	0.1%	0.0%	0.4%
STANDBY POWER				0.00	0.0000	1.7389	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Total	**46,595**	**961,992,120**	**1,506,209**				**12,807,088**	**850,670**	**4,288,824**	**17,946,583**				**100.0%**

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Current Revenue from Rates

This sheet is used to determine the applicant's most current allocation of revenues (after the most recent revenue to cost ratio adjustment, if applicable) to appropriately allocate the incremental revenue requirement to the classes.

	Current OEB-Approved Base Rates			2018 Actual Distribution Demand										
Rate Class	Monthly Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Current Base Service Charge Revenue	Current Base Distribution Volumetric Rate kWh Revenue	Current Base Distribution Volumetric Rate kW Revenue	Total Current Base Revenue	Service Charge % Total Revenue	Distribution Volumetric Rate % Total Revenue	Distribution Volumetric Rate % Total Revenue	Total % Revenue
	A	B	C	D	E	F	G	H	I	J	L = G / J_{total}	M = H / J_{total}	N = I / J_{total}	O
RESIDENTIAL	23.50	0	0	36,595	301,310,523	0	10,319,790	0	0	10,319,790	56.69%	0.00%	0.00%	56.7%
GENERAL SERVICE LESS THAN 50 kW	30.77	0.0081	0	2,822	94,728,588	0	1,041,995	767,302	0	1,809,297	5.72%	4.21%	0.00%	9.9%
GENERAL SERVICE 50 TO 4,999 KW	236.93	0	2.8643	487	535,922,956	1,447,503	1,384,619	0	4,146,083	5,530,702	7.61%	0.00%	22.77%	30.4%
EMBEDDED DISTRIBUTOR	362.56	0	2.0121	1	41,227,723	95,219	4,351	0	191,590	195,941	0.02%	0.00%	1.05%	1.1%
SENTINEL LIGHTING	4.24	0	20.3	505	190,023	520	25,694	0	10,556	36,250	0.14%	0.00%	0.06%	0.2%
STREET LIGHTING	1.45	0	6.0789	5,771	7,191,580	22,227	100,415	0	135,116	235,531	0.55%	0.00%	0.74%	1.3%
UNMETERED SCATTERED LOAD	13.12	0.0091	0	408	1,497,429	0	64,236	13,627	0	77,862	0.35%	0.07%	0.00%	0.4%
STANDBY POWER	0.00	0	1.7389	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0.0%
Total							**12,941,100**	**780,928**	**4,483,345**	**18,205,373**				**100.0%**

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

No Input Required.

Final Materiality Threshold Calculation

$$Threshold\ Value\ (\%) = 1 + \left[\left(\frac{RB}{d}\right) \times (g + PCI \times (1 + g))\right] \times \left((1 + g) \times (1 + PCI)\right)^{n-1} + 10\%$$

Cost of Service Rebasing Year		**2017**	
Price Cap IR Year in which Application is made		**3**	n
Price Cap Index		**1.20%**	PCI
Growth Factor Calculation			
Revenues Based on 2018 Actual Distribution Demand		**$18,205,373**	
Revenues Based on 2017 Board-Approved Distribution Demand		**$17,946,583**	
Growth Factor		**1.44%**	$g\ (Note\ 1)$
Dead Band		**10%**	
Average Net Fixed Assets			
Gross Fixed Assets Opening	$	108,934,858	
Add: CWIP Opening	$	-	
Capital Additions	$	3,828,988	
Capital Disposals	-$	230,000	
Capital Retirements	$	-	
Deduct: CWIP Closing	$	-	
Gross Fixed Assets - Closing	$	112,533,846	
Average Gross Fixed Assets	$	110,734,352	
Accumulated Depreciation - Opening	$	44,708,799	
Depreciation Expense	$	3,503,507	
Disposals	-$	130,000	
Retirements	$	-	
Accumulated Depreciation - Closing	$	48,082,306	
Average Accumulated Depreciation	$	46,395,553	
Average Net Fixed Assets	$	64,338,800	
Working Capital Allowance			
Working Capital Allowance Base	$	128,865,800	
Working Capital Allowance Rate		8%	
Working Capital Allowance	$	9,664,935	
Rate Base	**$**	**74,003,735**	RB
Depreciation	**$**	**3,503,507**	d

Threshold Value (varies by Price Cap IR Year subsequent to CoS rebasing)

Price Cap IR Year 2018	**166%**
Price Cap IR Year 2019	**168%**
Price Cap IR Year 2020	**169%**
Price Cap IR Year 2021	**171%**
Price Cap IR Year 2022	**172%**
Price Cap IR Year 2023	**174%**
Price Cap IR Year 2024	**176%**
Price Cap IR Year 2025	**178%**
Price Cap IR Year 2026	**179%**
Price Cap IR Year 2027	**181%**

Threshold CAPEX $Threshold\ Value \times d$

Price Cap IR Year 2018	**$ 5,821,845**
Price Cap IR Year 2019	**$ 5,874,180**
Price Cap IR Year 2020	**$ 5,927,906**
Price Cap IR Year 2021	**$ 5,983,061**
Price Cap IR Year 2022	**$ 6,039,684**
Price Cap IR Year 2023	**$ 6,097,811**
Price Cap IR Year 2024	**$ 6,157,485**
Price Cap IR Year 2025	**$ 6,218,746**
Price Cap IR Year 2026	**$ 6,281,635**
Price Cap IR Year 2027	**$ 6,346,197**

Note 1: The growth factor g is annualized, depending on the number of years between the numerator and denominator for the calculation. Typically, for ACM review in a cost of service and in the fourth year of Price Cap IR, the ratio is divided by 2 to annualize it. No division is normally required for the first three years under Price Cap IR.

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Identify ALL Proposed ACM and ICM projects and related CAPEX costs in the relevant years

		Cost of Service	*Price Cap IR*		*Price Cap IR*		*Price Cap IR*	
		Test Year	Year 1		Year 2		Year 3	
		2017	2018		2019		2020	
CAPEX[1]		$ 3,828,988	$ 4,322,647		$ 5,819,919		$ 20,720,878	
Materiality Threshold			$ 5,821,845		$ 5,874,180		$ 5,927,906	
Maximum Eligible Incremental Capital (Forecasted Capex less Threshold)			$ -		$ -		$ 14,792,972	

		Test Year	Year 1			Year 2			Year 3		
		2017	2018			2019			2020		
Project Descriptions:	**Type**		**Proposed ACM/ICM**	**Amortization Expense**	**CCA**	**Proposed ACM/ICM**	**Amortization Expense**	**CCA**	**Proposed ACM/ICM**	**Amortization Expense**	**CCA**
Building	**New ICM**								$ 15,718,146	$ 362,902	$ 512,384
Furniture/Equipment	**New ICM**								$ 477,250	$ 34,308	$ 66,815
Total Cost of ACM/ICM Projects			$ -	$ -	$ -	$ -	$ -	$ -	$ 16,195,396	$ 397,210	$ 579,199
Maximum Allowed Incremental Capital			$ -			$ -			$ 14,792,972		

1. For the Cost of Service Test Year, CAPEX refers to the CAPEX approved in the DSP. For subsequent Price CAP IR years, the CAPEX to be entered is the actual CAPEX. For the current Price Cap IR year, the CAPEX to be entered is the proposed CAPEX including any ICM/updated ACM project CAPEX for the year.

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Incremental Capital Adjustment **Rate Year:** 2020

Current Revenue Requirement

Current Revenue Requirement - Total	$ 17,577,948	A

Eligible Incremental Capital for ACM/ICM Recovery

	Total Claim	Eligible for ACM/ICM (Full Year Prorated Amount) *(from Sheet 10b)*	
Amount of Capital Projects Claimed	$ 16,195,396	$ 14,792,972	B
Depreciation Expense	$ 397,210	$ 362,814	C
CCA	$ 579,199	$ 529,044	V

ACM/ICM Incremental Revenue Requirement Based on Eligible Amount in Rate Year

Return on Rate Base

Incremental Capital			$	14,792,972	B
Depreciation Expense (prorated to Eligible Incremental Capital)			$	362,814	C
Incremental Capital to be included in Rate Base (average NBV in year)			$	14,611,565	D = B - C/2
	% of capital structure				
Deemed Short-Term Debt	4.0%	E	$	584,463	G = D * E
Deemed Long-Term Debt	56.0%	F	$	8,182,476	H = D * F
	Rate (%)				
Short-Term Interest	1.76%	I	$	10,287	K = G * I
Long-Term Interest	4.29%	J	$	350,882	L = H * J
Return on Rate Base - Interest			$	361,169	M = K + L
	% of capital structure				
Deemed Equity %	40.00%	N	$	5,844,626	P = D * N
	Rate (%)				
Return on Rate Base -Equity	8.78%	O	$	513,158	Q = P * O
Return on Rate Base - Total			$	874,327	R = M + Q

Amortization Expense

Amortization Expense - Incremental	C	$	362,814	S

Grossed up Taxes/PILs

Regulatory Taxable Income	O	$	513,158	T
Add Back Amortization Expense (Prorated to Eligible Incremental Capital)	S	$	362,814	U
Deduct CCA (Prorated to Eligible Incremental Capital)		$	529,044	V
Incremental Taxable Income		$	346,928	W = T + U - V
Current Tax Rate 26.5%	X			
Taxes/PILs Before Gross Up		$	91,936	Y = W * X
Grossed-Up Taxes/PILs		$	125,083	Z = Y / (1 - X)

Incremental Revenue Requirement

Return on Rate Base - Total	Q	$	874,327	AA
Amortization Expense - Total	S	$	362,814	AB
Grossed-Up Taxes/PILs	Z	$	125,083	AC
Incremental Revenue Requirement		$	1,362,223	AD = AA + AB + AC

Ontario Energy Board

Capital Module
Applicable to ACM and ICM

Brantford Power Inc.

Calculation of incremental rate rider. Choose one of the 3 options: Fixed Only Rate Rider

Rate Class	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Total Revenue by Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Service Charge Rate Rider
	From Sheet 7	*From Sheet 7*	*From Sheet 7*	Col C * Col I_{total}	Col D* Col I_{total}	Col E* Col I_{total}	*Col I_{total}*	*From Sheet 4*	*From Sheet 4*	*From Sheet 4*	Col F / Col K / 12
RESIDENTIAL	56.69%	0.00%	0.00%	772,182	0	0	772,182	36,595	301,310,523		1.76
GENERAL SERVICE LESS THAN 50 kW	5.72%	4.21%	0.00%	77,968	57,414	0	135,381	2,822	94,728,588		4.00
GENERAL SERVICE 50 TO 4,999 KW	7.61%	0.00%	22.77%	103,605	0	310,232	413,837	487	535,922,956	1,447,503	70.81
EMBEDDED DISTRIBUTOR	0.02%	0.00%	1.05%	326	0	14,336	14,661	1	41,227,723	95,219	1221.78
SENTINEL LIGHTING	0.14%	0.00%	0.06%	1,923	0	790	2,712	505	190,023	520	0.45
STREET LIGHTING	0.55%	0.00%	0.74%	7,514	0	10,110	17,624	5,771	7,191,580	22,227	0.25
UNMETERED SCATTERED LOAD	0.35%	0.07%	0.00%	4,806	1,020	0	5,826	408	1,497,429		1.19
STANDBY POWER	0.00%	0.00%	0.00%	0	0	0	0				0.00
Total	**71.08%**	**4.29%**	**24.63%**	**968,322**	**58,433**	**335,468**	**1,362,223**	**46,589**	**982,068,822**	**1,565,469**	
							1,362,223				
							From Sheet 11, E93				

Interrogatory Attachment C

Materials Provided to Board of Directors

Excerpt from CEO Report to the Board – October 24, 2018

Facility Update – BPI has finalized a conditional offer to purchase the Wescast facility at 150 Savanah Oaks Drive including the 5 acre parcel of land to the west of the property on September 28th, 2018. On October 4, 2018, the Seller waived its legal condition and has accepted the purchase price of $11.55 million.

The offer which is conditional solely at the discretion of the Board of Directors includes conditional periods that total 150 days.

In anticipation of this BPI had proactively invested time with AECOM to leverage their initial assessment of the property and have retained their services. The plan to begin due diligence commenced immediately and includes assessment of the building operational suitability; functionality to accommodate BPI needs and the goals of the Shared Service project with Energy+; the state of repair of all structural and environmental elements of the facility and lands; zoning by-law amendments and regulatory approvals and financing.

A summary of AECOM's scope of work and deliverables are outlined below:

- Update the high level 2015 condition assessment of the architectural, structural, mechanical and electrical systems at the site.
- Review the existing Technical Demonstration Centre (TDC) and develop a concept for use of this space for the Stock Room/Repair Garage with adjacent addition(s) for operations vehicles parking.
- Consider the shared service model between BPI and Energy+ for the facility (office, vehicle storage, stock room and vehicle service bays).
- A concept layout of the outside storage area required.
- A high level estimate of the cost of renovation (+/-25% estimate).

Concurrently, a team comprised of BPI Finance and Regulatory have initiated an analysis in preparation for the November Board of Directors meeting. Their work is focused on comparing rate impacts; capital spending impacts; financial value and the likelihood of realizing regulatory approval for the property on 150 Savannah Oaks in comparison to the new construction alternative that BPI has worked through in 2018.

Additionally we have provided an information briefing of our approach to Darryl Lee CAO - City of Brantford and Energy + CEO Ian Miles.

Excerpt from BPI Board of Directors Minutes – November 28, 2018

Consolidated Location Update **BPI-1811-003**

P. Kwasnik and P. Vander Klippe provided the Board with an update on the consolidated location project.

After discussion, it was agreed to continue the due diligence and analysis of Option B (Savannah Oaks property), including strategies for maximizing the additional five acre parcel of land.

A further update on Option B will be provided at the December 19th meeting and will include:

- Results of the pre-consultation with the City of Brantford
- Costs incurred to date on Option B and projection of any additional costs expected to continue with exploring this option
- Potential negotiation strategies
- Results of Environmental Study
- Recommendations and options for the process of selection of a Prime Design Consultant

Work is expected to continue on Option B into the new year and Management plans to provide a detailed update at the January 22, 2019 retreat, which is approximately one month prior to the deadline for the final conditional period of the offer to purchase.

Excerpt from BPI Board of Directors Minutes – February 20, 2019

Consolidated Location **BPI-1902-003**

P. Kwasnik and P. Vander Klippe provided the Board with an update on the accommodations strategy, providing further information on the two options being considered: Option A: building a new facility on Garden Ave or Option B: purchasing and renovating the existing facility on Savannah Oaks.

As communicated previously, Brantford Power has a conditional offer to purchase the property at 150 Savannah Oaks Drive. All conditions have been extended to expire on February 25, 2019.

Brantford Power and Colliers have continued with the due diligence activities on the 150 Savannah Oaks Drive property while continuing to hold on the Garden Ave. option. An overview of the environmental, municipal approvals and the concept design study cost validation was provided. As well, the current risks and mitigations were reviewed and discussed.

THE BOARD OF DIRECTORS
VOTED

THAT Management be authorized to waive all conditions within the current offer and also be authorized to request an improvement to the deal by:

- **Extending the closing date beyond 2019-04-26 (60 days after 2019-02-25) and**
- **Requesting a reduction of the purchase price of $11.55 million**

Any improvements if realized will be to the benefit of BPI and their ratepayers and will:

- **Help mitigate the future cost of replacing the Roof, HVAC, and Building**
- **Automation System, and**
- **Reduce the overlap of the operational costs of operating out of**
- **multiple facilities, and**
- **Mitigate any impact to the 2019 utility business plan.**

In order to achieve full occupancy no later than Dec 2020, the Board authorizes Management to initiate design and the procurement processes for the next phase of the Savannah Oaks project.

Moved by Greg Martin
Seconded by Terry Smith

CARRIED.

Excerpt from BPI Board Minutes - April 24, 2019

Facility Update

Peter Vander Klippe attended the meeting to provide an update on the new facility. The closing date for 150 Savannah Oaks Drive is Friday, April 26, 2019. Paul Kwasnik and Peter Vander Klippe did a walk through last week and the floor space in the Operations section has been cleaned out. A final walk through will be done on Thursday afternoon.

There are no foreseen issues with the scope of the project. As discussed previously, the intent of the renovations and expansion to the 150 Savannah Oaks property is to achieve the same level of operational performance that was included in the original design for Garden Ave site, prior to the extensive value engineering exercise undertaken.

A revised letter of agreement has been issued to Energy+ and we are awaiting approval from them. Concurrent with the revisions to the letter of agreement, Energy+'s CEO has received approval from their Board of Directors on the key rates and conditions included in the revised letter of agreement.

B. D'Amboise reported all financing documents are in order.

Facility management – Proposals for all existing maintenance vendors have been received. Representatives from the City of Brantford IT department have toured the site.

A proposal has been received to audit the existing infrastructure and to maintain for at least one year.

Contractor Procurement – a meeting was held this afternoon with the City of Brantford – Procurement regarding finalization of the approach and issuing an RFP as soon as possible.

BPI has requested a proposal from CBRE to employ a modified tender process for the Garden Ave property. The intent is to list both the ground floor suite rental at Savannah Oaks and the Garden Ave property as soon as possible. Discussion followed on the process for listing both sites and it was agreed that Paul Kwasnik will reach out to Kevin Finney, City of Brantford, Real Estate Department.

Further work needs to be completed related to the excess property on 150 Savannah Oaks before it can be severed and sold.

Excerpt from BPI Board of Directors Minutes - May 22, 2019

Facility Update **BPI-1905-003**

The Board was provided with an update on the new facility highlighted as follows:

- Sale of Property closed April 26, 2019.
- BPI/E+ Agreement – revised letter signed by Energy+
- Facility Management – awarded proposals to most existing maintenance vendors
- IT – Vendor continues to conduct audit of existing infrastructure
- EOC – Fire Chief toured facility
- Zoning By-Law Amendment – public notification signs posted, committee of the whole and Council in August 2019

Real Estate Broker RFP

With respect to 179 Garden Avenue and the ground floor suite at 150 Savannah Oaks Drive, BPI has created an RFP for real estate brokerage services with input from the City of Brantford's Purchasing, Economic Development and Legal Departments and Gowlings LLP.

The RFP is limited to the sale of 179 Garden Avenue as well as the leasing of the ground floor suite at 150 Savannah Oaks Drive. This RFP will be by invitation only to selected brokers identified after a review of all real estate transactions completed after January 2018 that were over $2 million as provided by the City of Brantford Economic Development Department. Four proponents were invited. The contract term shall be for a six month period. The Contract will be reviewed at six month intervals for renewal consideration at BPI's sole discretion.

With the Board's approval, it is BPI's intention to issue the RFP immediately. After discussion the Board agreed to move forward and requested that the option of reserving the right to award the contract either separately or bundled.

THE BOARD OF DIRECTORS
VOTED

THAT the RFP for the sale of 179 Garden Ave as well as the leasing of the ground floor suite at 150 Savannah Oaks Drive (reserving the right to award the contract either separately or bundled) be approved and issued to the four invited proponents.

Moved by John Utley
Seconded by Greg Martin

CARRIED.

The remaining surplus land at 150 Savannah Oaks Drive and 29 Tallgrass Court require additional activities to be completed prior to disposition.

Construction Management RFP – Delegated Authority

Colliers, BPI and City's procurement department have created and issued an RFP for Construction Management services for the 150 Savannah Oaks renovation and expansion. The RFP was issued on May 9th and closes on June 3rd.

Following the close, Colliers, BPI and the City require a few weeks to review the submissions and determine who the successful proponent is. It is expected to have a Contractor secured in June, 2019.

To be able to award the contract to the Construction Manager in June of 2019, BPI, on the recommendation of Colliers, is requesting that the Board provide delegated authority to BPI's CEO to approve the award of the contract to the Construction Manager and also approve the award of the Construction Management sub-contracts, provided that certain minimum requirements are met.

The Board discussed the components of the RFP in detail and agreed to approve the delegated authority resolution.

THE BOARD OF DIRECTORS
VOTED

THAT the CEO of Brantford Power Inc. is authorized to award the Construction Management agreement to the successful proponent as a result of the public competitive procurement performed by the City of Brantford's procurement department. This approval is subject to the limitation that the value of the initial contract of the Construction Manager does not exceed $1.5 million. Should the RFP result in values beyond this limitation the Chair of the Board will be consulted for direction.

Moved by Craig Mann
Seconded by Greg Martin

CARRIED.

THE BOARD OF DIRECTORS
VOTED

THAT the CEO of Brantford Inc. is authorized to approve the Construction Manager award sub-contracts to consultants and sub-contractors following the completion of a competitive procurement process where a minimum of three (3) prices are received. When three (3) prices cannot be obtained, the Construction Manager will be required to request approval in advance from the CEO of Brantford Power Inc. prior to initiating the procurement.

Approval of this delegated authority is subject to the limitation that the sum-total value of the initial contracts with the vendors procured by the Construction Manager does not exceed $15 million. As these sub-contracts will be entered into progressively, BPI with the assistance of Colliers, will be providing regular updates to the Board on the status of the procurements and awards by the Construction Manager.

Moved by Ron Stewart
Seconded by John Utley

CARRIED.

P. Kwasnik advised that a group has indicated an interest in a short term tenancy of the first floor for the months of September and October 2019. The pros and cons were discussed by the Board and the CEO was given direction not to pursue this further given the competing priorities associated with operationalizing the facility; the risk of losing out on long-term lease opportunity and the nature of the construction activity that is planned for the property during that time.

Excerpt from BPI Board of Directors Minutes - June 26, 2019

Facility Update **BPI-1906-002**

The Board was provided with an update on the new facility highlighted as follows:

Construction Manager RFP – BPI and Colliers have closed the RFP and are in the final stages of negotiation and clarification prior to awarding the contract.

Real Estate Broker RFP (sale and lease) – The RFP has closed and three submissions were received. It is being recommended that Re/Max Twin City Realty be awarded the lease listing, based on their extensive knowledge of the local market and CBRE be awarded the listing of the sale of the Garden Ave. property. It is the intent to have the two properties listed for sale/lease as soon as possible.

Facility management - the facility is being maintained with a goal to optimize costs while maximizing longevity.

IT ready - The IT vendor has completed an audit, with a final report expected this week.

Procurement of Construction Manager – following a review of the mandatory submission criteria, four proponents' submissions were qualified to proceed. BPI has identified and is recommending Ball Construction as the selected proponent and is in the final stages of finalizing the agreement with them.

The immediate next steps are to finalize the award to Ball Construction and finalize the selection of the Design Consultant, consistent with the direction of the Board at the last meeting.

BPI is now re-engaging the BPI Operations Team Energy+ beginning June 28.

The Board will be provided with a written update prior to the September Board meeting and/or a meeting will be called during the summer.

Excerpt from BPI Board of Directors Minutes - July 31, 2019

Facility Update **BPI-1906-002**

The Board was provided with an update on the new facility highlighted as follows:

The project has proceeded on schedule over the last month. BPI has awarded the Construction Management scope of work to Ball Construction and Ball has issued procurement documents for the Architect which will close shortly. Also, BPI has awarded the brokerage service for the lease of the office space at 150 Savannah Oaks and the sale of the land on Garden Ave. A copy of the listing and leasing agreements will be forwarded after the meeting. Management is asking the Board to delegate the approval process to accept a lease offer that is equal to or exceeds [redacted] per year.

In terms of the municipal approvals, the Zoning By-law Amendment has been confirmed for the August Committee of the Whole meeting as previously reported, and the discussions regarding the Emergency Operations Centre on site and Energy Plus Agreement have progressed well.

Next steps were discussed, including continuing to finalize operational needs for BPI, BHI and Energy +, selecting the architect and preparation of a preliminary schematic design and a Class C estimate based upon the preliminary schematic design.

THE BOARD OF DIRECTORS
VOTED

THAT Management be delegated the authority to accept an offer to lease the ground floor of 150 Savannah Oaks Drive that is equal to or exceeds [redacted] per year for a period of at least three years.

Moved by Greg Martin
Seconded by Craig Mann

CARRIED.

Excerpt from Board of Directors Minutes – September 25, 2019

Facility Update **BPI-1909-002**

The Board was provided with an update on the new facility highlighted as follows:

An Operational consultation has been completed with all functional areas within Brantford Power and operational representatives from Energy+.

A key output of the above consultation is the agreement to build a single shared vehicle garage to optimize the layout on site.

Zoning Bylaw Amendment – On August 6th this was passed by the Committee of the Whole. Upon the Planning Department recommendation, approval included a new pre-requisite that requires the severing of the properties prior to Council ratification. Consequently, as we finalize operational requirements which affect the Tallgrass lot size, we are now targeting a submission on October 18th which is followed by a review process that takes up to 60 days and concludes with a Committee of Adjustment meeting on December 18. Assuming approval on December 18th this would allow Council to ratify this decision during the first Council meeting of 2020, which is assumed to be scheduled in late January.

We anticipate a Class C estimate from the Construction Manager in early October to provide an update to the Board at the October meeting.

BPI and Energy+ continue to work through the details for the shared service model specific to warehousing and procurement.

With respect to a potential EOC site, BPI has met with the Fire Chief and City IT to finalize requirements. The next step is for SRM to complete a design based upon requirements and costing to be prepared by Ball Construction.

Next steps summarized:

- Ball Construction to prepare a Class C estimate based upon the schematic design
- Continue to finalize operational needs
- Submit application for consent/severance approval to the Committee of Adjustments before October 18
- Kick off meeting with Move Management Consultant
- Publish a pre-tender advertisement to the trades
- Finalize the schematic design for the interior of the warehouse and operations space

Colliers Project Leaders

BPI-1811-003

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811038-0088(1.0).docx
Project:	BPI/Garden Ave	Date:	2018-11-23
Period:	Project Status Report – Nov 2018		

1. Summary

This is a special report updating the Board on the accommodations strategy and providing details on the two options being considered, building a new facility on Garden Ave or purchasing and renovating the existing facility on Savannah Oaks. A summary of the due diligence activities completed to date is provided as well as more details on the two options and their strengths and weaknesses as well as a recommendation from Management for how to proceed.

2. Background

As reported previously, the formal RFP process that Brantford Power Inc conducted over the summer of 2018 with input from the City of Brantford and Colliers to procure a Design Builder to construct the new green field operations and administration facility on Garden Ave was unsuccessful. Based upon market conditions none of the pre-qualified vendors were able to deliver the facility within the budget range established by Brantford Power Inc based upon value to the ratepayer and ability to obtain sufficient financing.

Concurrent to this development in the Garden Ave facility, there was renewed interest from the current owner of the Savannah Oaks facility to re-start discussions to sell the property to Brantford Power. Based upon the recommendation of Management and approval from the Board in September 2018, Brantford Power has executed a conditional offer to purchase the Savannah Oaks facility. This decision to intentionally defer proceeding the process for the construction of Garden Ave facility allows for a cooling off period and an additional level of due diligence to the process of finding a new home for Brantford Power.

3. Due Diligence Studies for Savannah Oaks

Following the board meeting on 2018-09-26 Brantford Power and Colliers have been proceeding with the following due diligence activities on the 150 Savannah Oaks Drive property:

- Gathering of records from the seller as well as consulting firms involved in the design and construction of the existing facility as well as permit application records from the City of Brantford
- Design and estimating of a Concept Design Study by AECOM
- Initiating a Phase 1 ESA Study from AECOM and a Designated Substances Survey from Englobe
- Preparation and Submission of an Application for Pre-Consultation to the City of Brantford
- Participating in preliminary discussions with City of Brantford Planning, Economic Development, and Senior Admin regarding the plans for the facility
- Completing a Furniture Inventory for the building
- Arranging an inspection of the roof by a roofing consultant
- Performing tours of the facility with the Chair of the Board, Energy+ and Brantford Hydro to gain feedback.

Environmental

As of this writing we are still waiting for the completed copies of the Phase 1 ESA and DSS reports but based upon preliminary feedback during the site visits as well as by email recently we are not expecting any significant issues from an environmental perspective.

Minor Variance

The zoning for the Savannah Oaks site does not currently allow open storage which is an important criterion for the operation of the utility however Brantford Power and Colliers have had preliminary meetings and discussions with the City of Brantford on this and have been given direction that this can be amended through a minor variance. In pursuit of this, a formal request for pre-consultation has been filed with the City of Brantford and we are scheduled to meet with the City of Brantford on Dec 6, 2018 to determine the next steps in this matter. It is noteworthy that an advantage of the Garden Ave site is that it allows open storage.

Concept Design Study

The Concept Design Study from AECOM is an update to a report previously completed in 2015 when BPI was initially contemplating purchasing the 150 Savannah Oaks Drive property but was unable to secure an offer with the vendor. Since that report was originally issued, BPI's understanding of their requirements has been significantly advanced as a result of the pre-design effort that has been invested to articulate the

utilities space and functional needs. Additionally, since 2015 Brantford Power has fostered a relationship with Energy+ to share space and services which adds an efficiency factor when considering investment required for warehousing; outdoor storage yard; siteworks; and vehicle repair garage. These efficiencies are directly enabled with the provision of exclusive vehicle storage facilities and operational space for Energy+.

This concept design study is based upon the latest schematic design completed for the Garden Ave facility, adapting it to the Savannah Oaks facility and leveraging work and investment made in the process lead by JLR and was referenced in the RFP for a Design Build contractor this past summer in 2018.

One significant challenge of adapting BPI's operations to the Savannah Oaks facility is balancing the need to make use of the existing areas of the building to minimize wasted space, the need for a high level of operational performance, and the need to keep costs as low as possible.

Through the process of adapting the Garden Ave design to the Savannah Oaks facility we developed a much greater understanding of the many advantageous design features that had been included in the Garden Ave facility and an attempt was made to keep as many of them intact as possible in the Savannah Oaks conceptual design.

4. Options Analysis

The primary purpose of this report is to communicate the options available and Management's recommendations to the Board of Directors for review and discussion.

Option A – Garden Ave

The first option, "Option A", is proceeding with the Garden Ave facility in January/February 2019. The simplest and quickest way to proceed would be to remove the price cap from the previous RFP and re-issue it to the pre-qualified proponents.

We could also contemplate re-starting the entire procurement process and re-qualifying Design Builders, but it is not expected that will achieve any significant cost reductions and would delay the final completion of the facility.

Based upon the feedback from the Design Build proponents we understand that the facility as designed would cost in the range of $22-25 million plus land, FF&E, permitting, and other soft costs would give us a best-case scenario of $28.5 to $31.7 million for a purpose-built facility.

Full details for Option A are included in the summary table below.

Option B – Savannah Oaks

The second option, “Option B” is the purchase of the land and buildings at 150 Savannah Oaks Drive and renovating and expanding as required to meet Brantford Power’s and Energy+’s operational needs.

As stated above, BPI retained the services of AECOM to prepare a conceptual design and cost estimate based upon adapting the latest schematic design for the Garden Ave facility. The intent of this exercise was to determine the cost to achieve of maintaining the same level of operational performance at the Savannah Oaks facility as was designed in the Garden Ave facility with as few compromises as possible.

Based upon a significant level of effort by AECOM, BPI, and Colliers over a short period, a conceptual design for the site and the required renovations and expansions to the facility were developed and subsequently estimated.

Due to the as-built configuration of the Savannah Oaks facility, to provide for the same level of operational performance as the Garden Ave facility, two new vehicle garages would need to be constructed, adjacent to the existing “Technical Development Centre” or TDC. Significant effort was placed upon finding a solution that made better use of the existing space within the TDC, but it was determined that to achieve the same level of operational performance as the Garden Ave facility that level of additional construction could not be avoided.

Variances from Garden Ave Facility

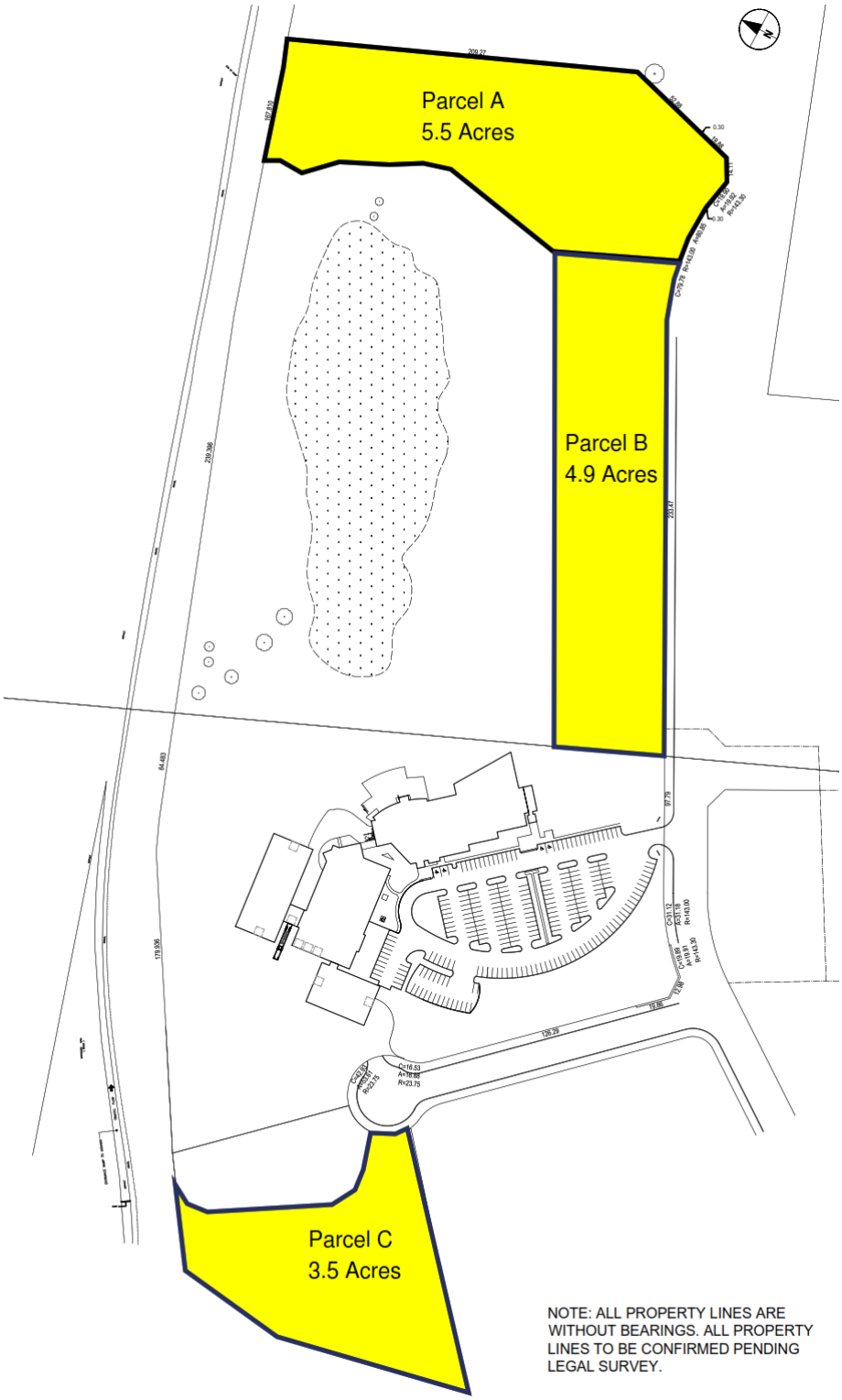
Increased warehouse size:
Based upon the inability to re-use the TDC space for vehicle garages there is a significant amount of additional warehouse space included in the Savannah Oaks conceptual design as compared to the Garden Ave facility. The current conceptual design includes for 18,000 SF of warehouse space as compared to only 8,000 SF on Garden Ave.

This could provide the opportunity to store significantly more materials indoors which could in turn reduce the size of the yard required to operationalize this facility, decreasing the additional investment required to prepare the yard and increasing the potential value of land to be sold off.

Two repair bays:
As there was a surplus of industrial space within the TDC and based upon feedback received on the Garden Ave facility design we have included two full repair bays within the conceptual design of the Savannah Oaks facility. The original design provided by JLR, based on the need’s analysis for BPI and Energy+, included two repair bays, however the second bay was later removed from the design as a compromise aimed at achieving costs savings by reducing building footprint.

Additional Office space:
As the Savannah Oaks facility has almost 55,000 SF of office space and only 27,669 SF of office space was designed on Garden Ave, there is a significant surplus of office space remaining for another tenant.

Additional land:
In addition to the TDC area that was not able to be 100% adapted for BPI & E+'s use and the significant amount of additional office space, the Savannah Oaks property is over 48 acres in size, as compared to the 10 acres on Garden Ave. While approximately 18 acres of this is occupied by a significant water feature and is unusable for development, this still leaves approximately 30 acres remaining. As part of the conceptual design 3 different parcels of land were identified for potential disposition and an estimated sale price was included in the budget.


Parcel A
5.5 Acres
Parcel B
4.9 Acres
Parcel C
3.5 Acres
NOTE: ALL PROPERTY LINES ARE WITHOUT BEARINGS. ALL PROPERTY LINES TO BE CONFIRMED PENDING LEGAL SURVEY.

Cost Estimate for Option B

Once the conceptual design was complete, a cost estimate and budget was created for this option and scenarios with and without a 25% contingency totals were determined based upon all known costs to date. Based upon the assumptions included in the Savannah Oaks budget, we believe the best-case scenario to be $26.7 million and the worst case to be $32.9 million. Please note that in both best- and worst-case scenarios it is assumed that all 14 acres of surplus land would be severed and sold but at different rates.

Full details for Option B are included in the summary table below.

Options Summary Table

Option	**A – Garden Ave**		**B – Savannah Oaks**	
Site Area	10 acres		48.4 acres	
Usable Land	10 acres		30.5 acres	
Surplus Land	0 acres		13.9 acres	
Remaining Useable Land	10 acres		16.6 acres	
Building Area	64,477 SF		Current: 96,000 SF Proposed: 123,000 SF	
	Best Case	Worst Case[1]	Class D Estimate (AECOM)	Class D Estimate +25%
Project Budget	$28.5 m	$31.7 m	$26.9 m	$33.1 m
Construction Costs	$23.7 m	$26.9 m	$15.6 m	$20.4 m
Real Estate costs[2]	$1.7 m	$1.7 m	$8.7 m	$9.4 m
Other[3] Costs	$3.1 m	$3.1 m	$2.6 m	$3.3 m
Cost per SF	$442.02/SF	$491.65/SF	$217.07/SF	$267.48/SF
Projected Rate Impact[4]	$2.20	$2.46	$1.32	$1.66

[1] The Best & Worst Case costs for Garden Ave incorporate feedback from the proponents of the Design-Build RFP
[2] In Option B the real estate costs are net of the sale the surplus land
[3] Other costs include: Soft costs, Furniture, Fixtures, Equipment, and Permits and Fees
[4] Directional rate impacts for the typical Residential Customer after an ICM application, based on a broad series of assumptions subject to change and the inclusion of operational expense impacts to be included in rebasing in 2022.These rates are independent of renting out of first floor

Option	A – Garden Ave	B – Savannah Oaks
Advantages	• Purpose built, no additional areas • Already own land • Avoid potential write-offs of costs incurred to date	• Lower rate impact to customers due to sharing of costs with additional tenant. • $/SF costs in line with OEB benchmarking which increases the probability of rates being approved • Office is move in ready • Warehouse is 10,000 SF larger • 25,000 SF of office space available for rent • 14 acres of land that could be severed and sold (already included in budget) • 2 repair garage bays • Additional space to pursue growth for affiliates • Potential to revisit renewables. • Proceeds from sale of Garden Ave land
Disadvantages	• Cost/ SF is out of line with sector Benchmarking, resulting in the likelihood that the total costs would not be approved and funded by rate payers • Limited flexibility in terms of future growth opportunities • Single repair garage bay	• Risk of not finding an office tenant to help absorb the costs of the large space not used by BPI, E+ or BHI • Risk of not being able to sell surplus land • Incurring a partial write off of work completed for Garden Ave • Expected closing date in 2019, contributing to additional operational costs that are not funded through ICM revenue

Table of Building Areas by Tenant

Occupant	Option A Garden Ave	Option B Savannah Oaks	Variance
Brantford Power Inc.	37,297	44,337	-7,040
Energy+	14,743	14,230	513
Brantford Hydro Inc.	2,906	3,122	-216
Shared	9,536	20,624	-11,088
Common	0	15,220	-15,220
Future Tenant	0	25,715	-25,715
Total	**64,482**	**123,248**	**-58,766**

5. Incremental Value Streams

Below are several additional value streams that, aside from the sale of the surplus land, are not included in the costs identified above.

- Incremental value from relationship with Energy+ through lease agreements, shared service agreements, and licensing agreements which can be realized for both Option A and Option B.
- Exclusive to Option B - Savannah Oaks are the following additional value streams
    a. Leasing revenue from 1st floor office space (approximately 25,000 SF)
    b. Sale of the surplus properties (included in budget figures identified above)
    c. Sale of property on Garden Ave

6. Potential Further Cost Savings for Option B

Below is a summary of some potential cost saving items that have been identified through the due-diligence studies and conceptual design work completed for Option B. This requires further investigation to determine the final cost, operational impact and timing as part of the planned continued due-diligence for Option B.

Reduce roof & HVAC replacement costs – up to $2.7 million

Based upon the age of the existing roof and the roof top HVAC equipment we have included and allowance of $2.7 million for the full replacement of both of these items. We have retained the services of a roofing inspector to perform a roof inspection and recommend on the actual condition of the roof and how long BPI can safely defer this work.

Also, these costs could be used to obtain a reduction on the purchase price of the property which would further impact the budget.

Reduce the size of the yard based upon increased size of the warehouse – up to $727K

Based upon the conceptual design, the warehouse at Savannah Oaks will be significantly larger than planned for Garden Ave, coming in at approximately 18,000 SF as compared to 8,000 SF. This is due to the surplus of space within the TDC and the difficulty of adapting the existing structural and utility conditions to vehicle garage use. As this warehouse will have significantly more storage capacity than required there is the potential to reduce the size of the yard by approximately 1.5 acres and store the displaced items within the warehouse.

Item	**#**	**Unit**	**Notes**
Area	1.5	Acres	
Unit cost to develop into yard	-$335,000	$/acre	From AECOM estimate
Total Cost reduction	-$502,000	$	
Unit Sale price of land	$150,000	$/acre	Based on lower end of sale estimate ranges
Total Sale price	$225,000	$	
Total benefit to project	$727,000	$	

7. Financing

At the completion of the formal procurement process completed through 2018, in September of 2018 the Board approved BPI proceeding with plans to access financing of up to $25 million. As a part of the due diligence for the Savannah Oaks property, Management validated Brantford Power's ability to invest beyond the $25 million of financing obtained and the sensitivity of Brantford Power's overall capital plan to those incremental investments. As a result of Management's analysis and subject to Royal Bank reconfirming the available financing following their due diligence on Option B, it has been estimated that an investment of an additional $6 million would leave the financial health of the utility intact for the long-term planning of Brantford Power and would allow Brantford Power to proceed with either accommodations strategy provided that the total capital cost did not exceed $31 million.

8. Recommendation

Management's recommendation is to extend the hold on Option A - Garden Ave and continue the due-diligence and analysis of Option B – Savannah Oaks. At the December Board meeting an update will be provided on the following:

- Results of the pre-consultation with the City of Brantford
- Costs incurred to date on Option B and projection of any additional costs expected to continue with exploring Option B
- Recommendations and options for the process of selection of a Prime Design consultant.

Work is expected to continue on Option B into the new year and Management plans to provide a detailed update at the January 22, 2019 retreat, which is approximately 1 month prior to the deadline for the final conditional period of the offer to purchase the Savannah Oaks facility. Prior to this meeting we expect to have completed discussion with the vendor regarding the timing of the conditional periods and aligning them with Brantford Power's ability to achieve them.

9. Appendix A – Conditions in Offer

Condition	Current Deadline	Status	Projected Completion Date
The state of repair and all structural and environmental aspects of the lands, Building(s) and all other improvements located on the Property(s), including the proper function and condition of the structure, roof and all the Seller's fixtures. For such purposes, the Buyer and/or its consultants and representatives and their equipment shall be entitled to have access to the Property(s) at all reasonable times to make such inspections and conduct such tests and environmental audits as the Buyer shall require in its absolute discretion, all at the Buyer's sole risk and expense;	Nov 27, 2018	**State of repair:** Potential issues with roof – roofing inspection schedule for Tuesday Nov 27th. Rooftop HVAC units require replacement due to R22 refrigerant. **Structural:** No identified concerns. **Environmental:** Phase 1 ESA report expected any day, verbal update that nothing significant was found to date. DSS report expected any day, email update that there are only very minor issues with some lead in some paint. **Fixtures:** Detailed furniture inventory completed Issues documented with existing communications cabling. Further discussion with seller for scope of removals of existing equipment.	Dec 21, 2018

Condition	Current Deadline	Status	Projected Completion Date
The Buyer obtaining suitable financing on terms, conditions and an amount that the Buyer may determine in its sole and absolute discretion;	Nov 27, 2018	At the completion of the formal procurement process completed through 2018, in September of 2018 the Board approved BPI proceeding with plans to access financing of up to $25 million. As a part of the due diligence for the Savannah Oaks property, Management validated Brantford Power's ability to invest beyond the $25 million of financing obtained and the sensitivity of Brantford Power's overall capital plan to those incremental investments. As a result of Management's analysis and subject to Royal Bank reconfirming the available financing following their due diligence on Option B, it has been estimated that an investment of an additional $6 million would leave the financial health of the utility intact for the purposes of this 5-year plan and would allow Brantford Power to proceed with either accommodations strategy provided that the total capital cost did not exceed $31 million.	Dec 21, 2018
The Buyer obtaining Board of Directors Approval;	Nov 27, 2018	At the time of writing this report Management is pursuing an extension to this first conditional period. Board meeting is scheduled for Nov 28, 2018	Nov 28, 2018
The Buyer being satisfied in its sole and unfettered discretion with the data and details contained in the Information to be provided as per Section 8 of this Schedule "A".	Nov 27, 2018	No issues identified	Already completed
The Buyer obtaining final Board of Directors Approval; and	Feb 25, 2019	Board retreat scheduled for Jan 22, 2019	Jan 22, 2019

Condition	Current Deadline	Status	Projected Completion Date
The Buyer obtaining all required regulatory; zoning by-law amendment and ministry approvals it requires in its sole and absolute discretion.	Feb 25, 2019	Application for pre-consultation has been filed with City of Brantford and we are on the agenda for the Dec 6, 2018 meeting. Following that additional design will be required to progress the site plan to a level where an application for minor variance can be made, and then we will have to follow through that process including the mandatory public appeal period. This is expected to take another 5-6 months to complete.	June 28, 2019

AECOM Imagine it. Delivered.

Brantford Power Inc.

150 Savannah Oaks Concept Design

Final Report

Prepared by:

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Date: November, 2018

Project #: 60590599

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	✓	AECOM Canada Ltd.

Revision History

Rev #	Date	Revised By:	Revision Description
1	2018-11-15	JF	Draft Report
2	2018-11-16	JF	Final Report

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Mr. Paul Kwasnik
CEO
Brantford Power Inc.
P.O. Box 308
Brantford, ON N3T 5N8

November 16, 2018

Project #
60590599

Dear Mr. Kwasnik:

Subject: 150 Savannah Oaks Concept Design
Final Report

In consultation with representatives from Brantford Power Inc., AECOM has developed a concept design option to address the possible relocation of Brantford Power Inc. to the existing facility at 150 Savannah Oaks Drive in Brantford.

This report presents the findings of our site assessment, building code review, zoning bylaw review and concept design recommendations. We trust that you will find this information useful in determining the future course for the relocation of Brantford Power Inc. Please feel free to contact the undersigned should you have any questions.

Sincerely,
AECOM Canada Ltd.

Jim Flanigan, P.Eng., MBA
Vice President, Buildings + Places
jim.flanigan@aecom.com

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- represents AECOM's professional judgement in light of the Limitations and industry standards for the preparation of similar reports;
- may be based on information provided to AECOM which has not been independently verified;
- has not been updated since the date of issuance of the Report and its accuracy is limited to the time period and circumstances in which it was collected, processed, made or issued;
- must be read as a whole and sections thereof should not be read out of such context;
- was prepared for the specific purposes described in the Report and the Agreement; and
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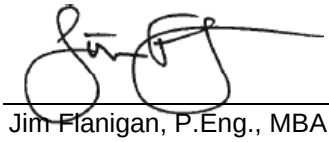
AECOM: 2015-04-13

Authors

Report Prepared By:



Jim Flanigan, P.Eng., MBA
Vice President, Buildings + Places

Executive Summary

Brantford Power Inc. (BPI) is considering the purchase of the facility at 150 Savannah Oaks Drive with the intent to relocate their administrative and operations facilities from 84 Market Street, 220 Colborne St. and 400 Grand River Avenue to this facility. BPI had previously engaged AECOM in 2015 to prepare a concept design for relocation of their operations to 150 Savannah Oaks. Since that report was completed, additional schematic design effort was completed by JL Richards related to accommodating BPI's requirements on a greenfield site on Garden Avenue. The space requirements that resulted from that schematic design effort have been used as the space needs for this concept study. One major addition was the plan to share the proposed facility with Energy+. Another change from the 2015 study is that the approximately 5 acre parcel of land immediately south of the 150 Savannah Oaks site is now included in the planned acquisition.

On October 2, 2018, the AECOM team conducted a review of the existing facility at 150 Savannah Oaks Drive to update the previously completed 2015 review. All of the building systems were found to be suitable for the proposed occupancy by BPI. Mechanical rooftop units, while functional and code-compliant, were noted to contain R22 refrigerant. This refrigerant is being phased out of production by 2020. We recommend planning for the replacement of these units.

The available office space on the second floor is more than adequate in terms of area for BPI's requirements including the BPI affiliate companies. We recommend that BPI occupy the second floor to leave the ground floor available to another tenant. The ground floor office space would be leased to a conventional office use tenant. If the space was to be shared by more than one tenant, a separate corridor would be required to provide the required access to exits for each tenant. For the purpose of this report only one tenant is considered on the ground floor.

Due to the existing column spacing in the Technical Demonstration Centre (TDC) area, circulation of larger vehicles will be restricted. While this was considered feasible in the 2015 report, further assessment has determined that it is not operationally efficient. New separate, secure vehicle storage garages are proposed for BPI and Energy+ as indicated on the concept drawings. The TDC area would be used for the shared Warehouse, shared Repair Garage, Energy+ Operations staff and BPI Operations staff.

The exterior yard storage required by BPI and Energy+ is in conflict with the zoning bylaw requirements for the site. The concept site plan prepared indicates an area of exterior storage screened with a landscaped berm. This proposal will need to be approved by the Committee of Adjustment through the Minor Variance process. There is no guarantee that this Minor Variance would be approved.

Class D estimates of building and site improvement costs are provided for the concept design is as follows:

Vehicle Storage Additions + Office Building Renovation + Site Improvements = $16.2 million
Optional Building Improvements - $2.9 million

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1. Introduction

Brantford Power Inc. (BPI) is considering the purchase of the facility at 150 Savannah Oaks Drive with the intent to relocate their administrative and operations facilities from 84 Market Street, 220 Colborne St. and 400 Grand River Avenue to this facility. BPI had previously engaged AECOM in 2015 to prepare a concept design for relocation of their operations to 150 Savannah Oaks. Since that report was completed, additional schematic design effort was completed by JL Richards related to accommodating BPI's requirements on a greenfield site on Garden Avenue. The space requirements that resulted from that schematic design effort have been used as the space needs for this concept study. One major addition was the plan to share the proposed facility with Energy+. Another change from the 2015 study is that the approximately 5 acre parcel of land immediately south of the 150 Savannah Oaks site is now included in the planned acquisition.

The goals of this study are to:

- Apply the space program developed by JL Richards to the proposed facility at 150 Savannah Oaks Drive.
- Comment on building modifications that would be required to accommodate BPI.
- Consider implications of incorporating a data centre into the surplus floor area of the building.
- Develop a concept design for the proposed relocation of staff and operations.
- Develop a high level estimate of the construction cost of the recommended renovations.
- Comment on the operating costs of the facility.

Our review consisted of reviewing the available original design drawings provided by Wescast and a visual review of accessible exposed surfaces and equipment only. No equipment testing or material testing was completed. No inspection openings were created to access concealed areas.

2. Site Assessment Findings

On October 2, 2018, the AECOM team conducted a review of the existing facility at 150 Savannah Oaks Drive. The following is a summary of the key information gathered.

2.1 Architectural

2.1.1 *Site*

The property is located at 150 Savannah Oaks Drive in Brantford, Ontario. The facility was constructed in 2001. There have been no substantial upgrades or expansions aside from various interior office renovations since its inception. We understand that various tenants have occupied some of the office space as the original owner's needs changed over the years.

The site is bounded to the north by Provincial Highway 403 and to the west by Tallgrass Crescent. To the south is Savannah Oaks Dr. A storm water retention pond is provided along the north/east property line which services the entire parcel of land. The site has two points of entry, Savannah Oaks Dr. and Tallgrass Crescent.

The site contains a number of buildings and equipment that were purpose built for Wescast Industries. A two storey main building housing the administrative function, a connected accessory building containing the Technical Demonstration Centre (TDC) and dust collector equipment are all located on the site. The administrative and TDC buildings are hinged off axis from one another and connected by a two storey corridor. Parking is provided in front of the main entrance, accessed from Savannah Drive. A separate but related parking lot is provided in front the TDC building, which is accessed from Tallgrass Crescent. A driveway access is provided around the perimeter of the TDC building.

A visual condition assessment was completed for both the administrative and TDC building. The dust collection equipment was only observed based on use, function and location.

2.1.2 *Technical Demonstration Centre (TDC)*

The TDC is a steel framed building with an approximate gross floor area of 2,545m^2, which is at the North West corner of the site immediately adjacent to Highway 403 and Tallgrass Drive. The building is one storey with an open mezzanine of 712m^2 with a ceiling height of 8.5m. The building is a steel frame structure with a sub-frame to support the exterior wall assembly. The wall assembly is lined with steel clad insulated sandwich panels with concrete block along the lower 2.4m level. The exterior cladding is a combination of prefinished aluminum siding and prefinished aluminum frames with double glazing. The building has a glazed clerestory and corner curtain wall windows which provide an abundance of natural light in the building. An overhead bridge crane with a posted capacity of 5 tons is provided along in the south bay for the full length of the facility. Washrooms, showers and change room facilities are provided for men and women. Testing laboratory rooms are located below the mezzanine. The floor to floor height of the mezzanine is approximately 4.5m. A generator/compressor room and storage facility is located within the mezzanine. The mezzanine is accessible to the ground floor area by open stairs.

2.1.2.1 *Roof System*

The high roof is a modified bituminous roofing system complete with an aggregate impregnated topping. Prefinished metal cap flashing is provided on all perimeter parapets. Internal drains provide the drainage of storm water. No other emergency run-off is provided (i.e. roof scuppers). The high roof appears to be in fair condition and original to the building. Some localized areas of ponding and moss growth were observed. Drains are generally clear and free of debris. Perimeter conditions are good. Minor ponding is present at the link roof with moss buildup present along the perimeter which indicates standing moisture. Given the age of the roof and the surplus process mechanical equipment, consideration should be given to replacement of the roof along with removal of the redundant process mechanical systems. The equipment and large ductwork would make future roof repairs/replacement more difficult. We understand that BPI will undertake a more detailed roof inspection to confirm the expected time to replacement.

2.1.2.2 *Exterior Walls and Assemblies*

The exterior wall assembly for the TDC is steel frame construction clad with various materials. Concrete block infill, insulated sandwich panels and curtain wall framed widows are all composite parts of the system. The exterior wall finish consists of prefinished metal siding. As the scope of this assessment was visual it could not be verified whether the block infill wall assembly consisted of an air barrier, insulation and vapour barrier, nor could the condition of these items be confirmed.

The metal siding is in good repair with minor outdoor debris accumulating on the inside corner surfaces. The perimeter concrete blocks appear in good condition with no visible deterioration. It is recommended to provide additional protection when introducing vehicle storage in this facility. Bollards, safety tape and guards will all be

required to minimize collision damage. Removal of some minor partitions would also facilitate increased area for vehicle maneuvering.

2.1.2.3 *Exterior Doors*

All exit doors are painted hollow metal. An electrically operated overhead door 4.3m (14'-4") wide x 4.2m (14'-0") high is provided at the West side. An electrically operated, insulated overhead door 2.4m (8'-0) wide x 3.0m (10'-0") complete with auto dock levelling equipment is also provided.

The man doors are in good condition. The overhead doors appear to be in good condition. The insulated overhead door with dock levelling equipment is in good condition. It is recommended to provide regular hardware maintenance and repainting of exterior doors every 5-7 years to extend the expected life span if the equipment is to be maintained.

2.1.2.4 *Exterior Windows (Curtain Wall)*

The clerestory and corner windows are aluminum curtain wall frames and double glazed units. The windows are original to the building and are in good condition. It is recommended to replace cracked sealants around the perimeter of the windows, jambs and sills. Inspect sealant around windows annually.

2.1.2.5 *Interior Doors*

A combination of solid core wood doors and fire rated painted hollow metal doors and frames are provided. The testing rooms doors below the mezzanine are all fire rated at 3/4hr, corridor link doors are fire rated at 3/4hr. On the lower level, doors for the janitor room and sprinkler room are fire rated at 3/4hr.

All doors have lever action hardware which complies with barrier free requirements. The lower level office doors are complete with vision panels and are glazed with Georgian wire glass. Corridor link doors connecting the TDC building to the office building are complete with panic hardware and exits signs. Some exit signs have been replaced to meet current Ontario Building Code standards. The remainder of the exit signs should be replaced during the planned renovations.

2.1.2.6 *Floor Finishes*

The TDC has been provided with exposed concrete in the high bay area. A demarcated epoxy finish is provided along the safe circulation routes in the space. Rubber flooring with rubber bases are provided in laboratory rooms below the mezzanine. Porcelain tile is provided in the office and washrooms. There is porcelain tile flooring and wall base within the exit stairwells. The testing laboratory has been constructed with pits and steel grate flooring to accommodate Wescast equipment.

The high bay area concrete flooring is in good condition. The rubber flooring is in good condition. The Lab room flooring will require further cleaning and or renovation once Wescast equipment is removed. The Men's washroom tile is in poor condition and missing grout in the showers. The women's washroom is in good condition.

Floor finishes would be replaced in the Energy+ and BPI Operations areas proposed in the TDC. The Warehouse and Repair Garage areas would replace only portions of the slab as required for drain installation. Existing pits and trenches would be infilled to match the existing slab.

2.1.2.7 *Wall Finishes*

A combination of painted concrete block and painted drywall is provided. The high-bay area is generally in fair condition. General cleaning is required to remove dust from the perimeter high-bay surfaces. A new paint finish will improve lighting qualities in the space and should be performed every 10 years. In the office the painted concrete block is in good condition. Lighting levels appear to be adequate. The painted block laboratory room walls are in poor condition and if they are to remain will require renovation once Wescast equipment is removed, including new paint finish. It is recommended to repaint all finishes every 5-7 years to extend life span.

2.1.2.8 *Ceilings*

The high-bay area is constructed of an exposed metal deck complete with paint finish. It appears to be in good condition. Acoustic ceiling tiles are provided in all offices, the laboratory area and washrooms.

The acoustic ceilings tiles are original to 2001 construction. They are generally in good condition on the lower mezzanine level. There are a few locations on the lower level where discoloring was observed from metal filings produced in the high-bay area and lab testing areas. It is recommended to replace damaged and/or discoloured tiles. Acoustic ceiling tiles may require replacement on the lower level within the next 10 years. Ceiling tiles should be inspected regularly for water staining or damage. Men's washroom gypsum board ceilings are in poor condition. The shower ceiling is damaged through condensation, fasteners are rusting and paint peeling. It is recommended to replace the ceiling. As this may be attributed to a faulty exhaust system, further testing should be undertaken to ensure the exhaust systems run continuously.

Ceiling finishes would be replaced with new in the proposed Energy + office and BPI Operations Staff areas.

2.1.2.9 *Millwork*

The major items of millwork are in the laboratory countertops and washrooms on the lower level. The casework is generally 5/8" to 3/4" thick with plastic laminate finish.

The millwork is original to the building and is generally in good condition. The millwork is in good condition. Millwork could be made more functional for staff use and to allow for a barrier free counter. All millwork would be removed and replaced with new as required for the Energy+ office and BPI Operations Staff areas.

2.1.2.10 *Toilet Partitions*

The prefinished metal partitions in men's and women's washrooms are in good condition. The men's and women's washroom on the lower level are equipped with fixtures designed for Wescast occupancy and are not barrier free accessible. All toilet partitions would be replaced with new to suit the new layout of washrooms and locker rooms.

2.1.2.11 *Fire Separations*

The two storey TDC is classified as a Group F-3, sprinklered building. Both the TDC building and Office building are classified as separate buildings and are attached by corridor consisting of a 45min. fire separation at each end. A fire alarm has been installed. No fire resistance ratings (FRR) are required between floor and roof in the TDC building. The mezzanine is considered a second storey and has two exits provided to the exterior each with a 1hr. FRR. The space above is provided with open storage and open circulation. The compressor room has a one hour FRR. Service rooms below, include the electrical room have a 1 hour FRR.

Minor fire stopping may be required to maintain existing fire separations. A '0 hour' rated smoke separation between the offices and storage area will be required if they are to remain.

2.1.2.12 *Barrier Free Accessibility*

As per the current Ontario Building Code the building may be subject to barrier free requirements of Section 3.8. The scope of the alternations, the requirements of Brantford Power and Energy+ and discussions with the City of Brantford Building Department will determine the required extent of barrier-free facilities. Washrooms in the TDC are not currently barrier-free accessible.

2.1.3 ***Office Building***

The office building has an approximate 6,388m^2 gross floor area (GFA) organized on two floors. The building is sprinklered. The lower level has a GFA of 3,378m^2 and the upper level has a GFA of 3,010m^2.

The approach to the building is from the West. The public entry is located between the TDC building and administrative offices. Green space and hard landscaping are provided along this entry point. Upon entry, the offices are located in a central position and are directly accessed through the main entry and central stair. Open work spaces and private offices are provided further in through a transverse corridor. The 1st and 2nd floors are provided with interconnected floor spaces including the common cafeteria. Skylights throughout the main corridors provide additional natural light throughout. Private offices, meeting rooms and conference rooms are provided, complete with custom millwork, telecommunications and IT infrastructure. Amenities are provided in the form of commons areas; cafeteria, preparation kitchen, lunchroom, washrooms and storage. Very little renovation is anticipated to accommodate BPI and BHI in this area.

2.1.3.1 *Roof System*

The high roof is a modified bituminous roofing system complete with an aggregate impregnated topping. Prefinished metal cap flashing is provided on all perimeter parapets. Internal drains provide the drainage of storm water. No other emergency run-off is provided (i.e. roof scuppers). The high roof appears to be in fair condition and original to the building. Some localized areas of ponding and moss growth were observed. Drains are generally clear and free of debris. Perimeter conditions are good. Minor ponding is present at the link roof with moss buildup present along the perimeter which indicates standing moisture. Given the age of the roof and particularly if the TDC roof is to be replaced, consideration should be given to replacement of the office roof at the same time. We understand that BPI will undertake a more detailed roofing inspection to refine the expected time of required replacement.

The lower roofs are located over small projections and entrances canopies. They are provided with an EPDM roof system. Minor ponding is present around the drains and a buildup of debris and moss are present around the perimeter corners. It is recommended that regular maintenance be provided; general cleaning of roof of debris and moss will improve the life of the roof.

2.1.3.2 *Exterior Walls and Assemblies*

The exterior wall finishes and assemblies are constructed using a combination of aluminum composite panels, aluminum curtain wall systems and prefinished aluminum siding. Entrance features are constructed using exposed structure and an internal glazed aluminum curtain wall envelope. The building corners and common spaces are constructed with glazed curtain walls. Aluminum siding is provided above and below the horizontal glazed strip windows located at the open work areas. The wall assemblies are constructed as rain screen assemblies, which is typical with this type of construction. As the scope of this assessment was visual and no destructive tests where undertaken it could not be verified whether the infill wall assembly consisted of an air barrier, insulation and vapour barrier, nor could the condition of the wall assembly be observed.

The assemblies appear to be in good condition. The finishes were observed to be free of dents or scratches. Door weather seals appear to be in good condition. It is recommended to replace dry and cracked sealant around doors, sills and flashing. Perform regular maintenance of sealants every 2 years.

2.1.3.3 *Exterior Doors*

Glazed aluminum door and frames are provided at main entrance and main egress exits. Barrier free operators are provided at the main entrance and are compliant with current OBC standards. Side entrances, lunchroom common areas also have glazed aluminum doors and frames. Exit doors are painted hollow metal doors.

It is recommended that all main vestibule door thresholds be check for missing fasteners and loose grout. Ensure thresholds are firmly secured using stainless steel fasteners and are free of tripping hazards. Replace grout at door with sealant.

2.1.3.4 *Exterior Windows*

The strip windows, corner windows and aluminum curtain walls are constructed with prefinished aluminum curtain wall frames and double glazed sealed units. The windows are original to the building and are in good condition. It is recommended to replace cracked sealants around the perimeter of the windows, jambs and sills. Inspect sealant around windows annually.

2.1.3.5 *Interior Doors*

A combination of painted solid wood doors and frames and painted hollow metal doors and frames are provided. A number of doors are fire rated as indicated on the as-built drawings and are labelled as such. On the upper level stairwell exit doors are provided with a 3/4hr fire rating, service rooms including the electrical room in the central core have a 1.0hr fire rating. Corridor doors connecting the TDC building are hollow metal doors complete with panic hardware and exit signs. On the lower level doors to the corridor link are hollow metal doors complete with panic hardware and exit signs. General office and meeting room doors are solid core wood doors. All common egress doors are a glass door with chrome hardware and custom Wescast door handles. It is anticipated the door handles will be removed upon the Wescast exit; in this case, new barrier free hardware will be required. If Wescast door handles remain it is recommended the hardware be removed and replaced with barrier free hardware.

2.1.3.6 *Floor Finishes*

Floor finishes in the office building vary from carpet tile, vinyl composite tile and ceramic tile. The upper level common area including corridors, service areas, board rooms, and meeting rooms are finished with carpet tile. Private offices and open office areas on both floors are also finished with carpet tile. The main entrance ground floor, common areas including the servery, preparation areas, washrooms, service rooms and kitchenette are provided with ceramic tile flooring complete with a ceramic tile base.

Carpet tile is original to the building and is in good condition. Ceramic tile is also original and in good condition. Regular cleaning of carpets and ceramic tile may extend the life of the material. It is recommended to undertake a general cleaning and sealing of all ceramic tile and grout.

2.1.3.7 *Wall Finishes*

A combination of painted concrete block and painted drywall was provided in the original construction. The cafeteria preparation areas incorporate ceramic tile accent wall finishes. All exit corridors are painted concrete block.

The upper level and the lower level office and lunch areas appear to be original to the building construction. The painted surfaces are in generally good condition. It is recommended to repaint walls within high traffic areas where drywall surfaces have been marked and damaged. Repainting all finishes should be undertaken every 5-7 years to extend the life span.

2.1.3.8 *Ceilings*

A combination of acoustic ceiling tile ceilings and areas of exposed ceilings with accent gypsum board bulkheads are provided throughout the office and commons areas. The clerical open office area at reception, common cafeteria and meeting rooms are provided with acoustic tile ceilings and perimeter gypsum board bulkheads. The board room is fitted with a stepped gypsum board ceiling with a paint finish.

The acoustic ceiling tile and gypsum bulkheads on the upper and lower level are original to the building. They are generally in good condition on both levels. There are a few locations on the upper level where staining was observed, possibly from the roof or skylight leak.

2.1.3.9 *Skylights*

The round skylights in the main common area appear to be in good condition. Skylights in the main office areas, above the interconnected floor spaces are in good to fair condition due to a visible sign of leaking on the ceiling tile. Further inspection is required to determine whether this is a problem with the skylight of roof structure that has been repaired. The skylight recesses are fitted with radiant heat panels.

2.1.3.10 *Millwork*

The major items of millwork are the reception counter on the lower level, common service areas including cafeteria bar, copy area, kitchenette and mail room. The board room, training room and washroom vanities also are provided with millwork. The casework is generally 5/8" to 3/4" thick with plastic laminate finish and wood veneer for the finish. Office door frames and sidelights are framed in wood and are also in good repair.

The millwork is original to the building and is in good repair. The reception desk millwork counter is in good repair, although a lower level reception counter for barrier free accessibility is not provided. Current OBC Standards require barrier free accessibility at public counters. Although for minor renovations such as this it will not be a mandatory requirement it is still recommended as this entrance will be the main public entrance space.

2.1.3.11 *Toilet Partitions*

All washrooms on the lower and upper level are provided with full height, gypsum board partitions. All partitions are original to the construction in 2001 and are provided with a painted finish. They are in good condition. It is recommended to repaint all finishes every 5-7yrs to extend the life span.

2.1.3.12 *Fire Separations*

The two storey office building is classified as a Group D – office building, sprinklered. The building has a lower level gross floor area of 3,378m^2 and an upper level gross floor area of 3,010m^2, totaling a gross floor area of 6,388m^2. The building is sprinklered and is provided with a fire alarm. The building appears to be of non-combustible construction although hidden elements such as partition studs could not be verified. No fire resistance ratings are required between floor and roof. Two existing emergency exits are provided to the exterior each with a 1hr. fire resistance rating. Service rooms, including the electrical room have 1 hour fire separations.

2.1.3.13 *Barrier Free Accessibility*

As per the current OBC the building is subject to barrier free requirements of section 3.8. The entrance vestibule doors are compliant for barrier free standards and are equipped with barrier free door operators. The main reception counter is not fitted with a barrier free counter. The lower level men's and women's washrooms are not equipped with barrier free stalls. There is a barrier free universal washroom on the lower level which satisfies the barrier free requirement for this level. The upper level men's and women's washrooms are barrier free accessible. There is an elevator accessible for staff between the two levels.

It is recommended to modify the reception counter to provide a barrier free counter.

2.2 Structural

2.2.1 ***Technical Demonstration Centre (TDC)***

Foundations for the TDC area are combination of cast-in-place concrete spread footings and strip footings. Numerous pits are present for various processes used by Wescast Industries.

The ground floor structure is a heavy concrete slab-on-grade reinforced with welded wire mesh.

The second floor structure is constructed of a structural steel frame supporting a reinforced concrete slab floor in the heavy use areas. Stair landings and other lighter use areas are constructed of a structural steel frame supporting a composite concrete on steel deck floor. The available structural drawings indicate that the second floor was designed for the following loads:

Dead Load = 95 pounds per square foot (psf)
Partition Load = 20 psf
Live Load = 200 psf

The roof structure is constructed of open web steel joists on a structural steel frame supporting a conventional steel deck roof. The available structural drawings indicate that the roof is designed for the following loads:

Dead Load = 25 psf
Misc. Load = 15 psf
Live Load = 30 psf snow plus drift

The layout of the snow drift around mechanical units is indicated on the drawings. Mechanical unit weights are indicated on the drawings.

A 5-ton bridge crane is supported on structural steel runway beams in one bay.

Lateral loads in the both directions of the TDC are resisted through vertical steel cross bracing at selected grid-lines as indicated on the structural drawings.

The building was not designed as a post-disaster building. While the Ontario Building Code does not specifically require a building housing an occupancy such as BPI's intended use to be designed to post-disaster levels it is important to note the difference. A post-disaster building such as a police station or fire station is designed for approximately 25% higher snow load, 25% higher wind load and 50% higher seismic load than other buildings not classified as post-disaster. It is not practical to reinforce an existing building to meet the post-disaster requirement.

All visible and accessible elements of the structure were observed to be in good condition with no evidence of structural concern noted.

2.2.2 *Office Area*

Foundations for the office area are combination of cast-in-place concrete spread footings and strip footings.

The ground floor structure is a light concrete slab-on-grade reinforced with welded wire mesh.

The second floor structure is constructed of open web steel joists on a structural steel frame supporting a composite concrete on steel deck floor. The available structural drawings indicate that the second floor was designed for the following loads:

Dead Load = 71 pounds per square foot (psf)
Partition Load = 20 psf
Live Load = 50 psf

It appears that the floor area at the existing data centre was not designed to a higher load as may be expected for Data Room equipment. A more specific assessment will be required based on the actual equipment to be housed in the room if expansion of the room is considered in the future,

The roof structure is constructed of open web steel joists on a structural steel frame supporting a conventional steel deck roof. The available structural drawings indicate that the roof is designed for the following loads:

Dead Load = 23 psf
Misc. Load = 83 psf (concrete under roof top units) or 25 psf (paving stone walkways)
Live Load = 30 psf snow plus drift

The layout of the paving stone walkways and snow drift around mechanical units is indicated on the drawings. Mechanical unit weights are indicated on the drawings.

Lateral loads in the east-west direction at the south end of the office building are resisted primarily through moment frames at selected grid-lines as indicated on the structural drawings. Lateral loads in the east-west direction at the north end of the office building are resisted through a series of reinforced concrete block masonry shear walls. Lateral loads in the north-south direction are resisted through a series of reinforced concrete block masonry shear walls.

The office building was also not designed as a post-disaster building. The same comments as in Section 2.2.1 above apply here.

All visible and accessible elements of the structure were observed to be in good condition with no evidence of structural concern noted. Several exterior steel columns supporting canopies on the north side of the building exhibited moderate surface corrosion at the base. Regular maintenance (rust removal and repainting) is required.

2.3 Mechanical

2.3.1 *Plumbing and Drainage*

The building is municipally serviced by a separate 75mmØ (3”Ø) potable/domestic water service which enters the building in the sprinkler/mechanical room located in the east corner of the TDC wing. The service includes a water meter with a valved bypass, and three (3) double check valve assemblies (DCVA). The DCVA’s are for the building potable water, plant water and the irrigation system. The building potable water system includes a duplex water softener consisting of two (2) resin tanks and a single brine tank and a duplex reverse osmosis (RO) system consisting of cartridge filters, ultraviolet light filters, storage tanks, and pressurization pumps. The water softening and RO systems are also located in the sprinkler/mechanical room.

Potable hot water is provided primarily by a single Lochinvar natural gas water heater, rated at 52.7kW (180.0MBH) input with an estimated thermal efficiency of 80%, located in the sprinkler/mechanical room. Domestic hot water is stored in an adjacent thermally insulated, Lochinvar 1200L (318gal.) vertical storage. We note that during this review the tank was actively leaking from the tank jacket. The system includes two (2) inline centrifugal pumps, one (1) circulating the water heater and the storage tank and the other provides domestic hot water recirculation. Flue gas venting and the combustion ventilation air ductwork appear to be in generally satisfactory condition at this time however the installation is not in accordance with the Ontario Building Code. Both the flue gas vent and the combustion/ventilation air ductwork penetrate the required fire separation of the sprinkler/mechanical room contravening the required fire separation. Based on the available information this system provides domestic hot water for the TDC wing and most of the office wing.

A supplementary source of potable hot water serving the eastern washroom groups (ground and second floors) of the office wing is provided by a single John Woods 4.5kW electric, 490L (130gal) tank type water heater located in a second floor janitor's closet. This supplementary domestic water heater does not include a domestic hot water recirculation system.

Visible potable water piping consists of thermally insulated copper piping complete soldered fittings and joints throughout both the TDC and office wings. Isolated random locations of missing thermal insulation and water staining were observed indicating potential previous repairs.

Sanitary waste for the building is provided by three (3) building drains, based on the available drawings. The TDC wing includes a single building drain leaving the wing in the southeast corner and the office wing includes two (2) building drains leaving in the southwest corner and the southeast corner. The building includes a single submersible sanitary sump pump located in a ground floor utility room which services the elevator pit. No information pertaining to this pump was available either during this visual review or in the available drawings. Visible sanitary waste and vent piping consists of a combination of thermally insulated and uninsulated carbon steel, copper and chrome plated piping complete with mechanical joints, soldered and threaded fittings and joints, respectively.

Storm drainage for the building is provided by four (4) building drains, based on the available drawings. The TDC wing includes two (2) building drains leaving the building at the southwest and northeast ends of the wing and the office wing includes two (2) building drains leaving in the west and east ends of the wing. Visible storm drainage piping consists of a combination of thermally insulated and uninsulated carbon steel piping complete with mechanical jointed fittings and joints. Roof drains through both wings of the building appear to be generally satisfactory condition at the time of this review with no evidence of blockages and/or vegetation growth. We note that isolated roof drain domed grates were missing and should be replaced to protect the drainage system.

Plumbing fixtures throughout the building include a combination of vitreous china floor mounted flush tank water closets, vitreous china wall hung hands free flush valve urinals, countertop hands free lavatories, built-in showers stainless steel sinks with manual faucets, semi-circular wash sinks, floor mounted moulded floor sinks and water-coolers. All fixtures appear to be generally good condition with minimal to no evidence of staining and/or damage. Plumbing fixtures located within the commercial kitchen include stainless multi-compartment sinks, stainless steel and vitreous china wall hung lavatories and a stainless steel ware washer. The kitchen also includes a floor recessed grease interceptor. All fixtures appear to be in good condition at the time of this visual review, with some evidence of hard water staining.

The building is municipally serviced with a 68.9kPa (10psi) natural gas service located on the building exterior at the northeast corner of the TDC wing. The service is metered and reduced to 13.8kPa (2psi) 150mmØ (6"Ø) and distributed to the TDC wing process equipment, infrared heaters, packaged rooftop equipment, and domestic water heater and the office wing boilers. The gas pressure is further reduced to 3.5kPa (14"w.c.) prior to the appliance served and the regulators are vented to the building exterior. Visible natural gas piping consists of black steel piping with a combination of threaded and welded fittings and joints.

2.3.2 *Fire Suppression*

The building is municipally serviced by a separate 150mmØ fire service which enters the building in the sprinkler/mechanical room located in the east corner of the TDC wing. The service does not include a double check valve assembly (DCVA) which is required according to the Ontario Building Code and CSA B64. The fire suppression system includes four (4) wet sprinkler zones complete with alarm valves and electrically supervised isolation valves in the sprinkler/mechanical room. The sprinkler header further includes three (3) valved and capped connections for future wet sprinkler zones. The fire department siamese connection and water motor gong are located on the building exterior of the sprinkler/mechanical room and is located in general accordance with the

requirements of the Ontario Building Code. Sprinkler coverage throughout the building is provided by means of a combination of upright, pendant, concealed and wall type sprinkler heads located strategically throughout the building spaces. The office wing includes interconnected floor spaces which include closely spaced perimeter sprinkler heads and draft stops. The wet sprinkler systems appear to be in general accordance with the National Fire Protection Association (NFPA) Standard No. 13.

The building fire suppression system also includes strategically located wall mounted and semi-recessed mounted portable fire extinguishers throughout the building. The majority of the extinguishers appear to be generally class ABC multi-purposes extinguishers, however class BC and D extinguishers were also observed in the electrical rooms, commercial kitchen and TDC wing respectively. Size, placement and classification of the portable fire extinguishers appear to be in general accordance with the requirements of NFPA No. 10.

The server and telecommunication rooms located on the second floor of the office wing include clean agent fire suppression systems consisting of a floor mounted suppressant canister, two (2) nozzles, black steel distribution piping and activation devices (ie. pull stations and heat detectors). The systems serve the individual room the system is located within and the raised floor space below. The system arrangement appears to be in general accordance with the requirements of NFPA No. 76 and 2001.

The kitchen cooking equipment hoods include an 'ANSUL' wet chemical fire suppression system consisting of a wall hung suppressant canister, discharge nozzles, black steel distribution piping and cabled activation devices. The system arrangement appears to be in general accordance with the requirements of NFPA No. 96.

2.3.3 *Heating, Ventilating and Air-Conditioning (HVAC)*

Heating and ventilation is provided to the TDC wing production areas of the building by means of a combination of natural gas fired infrared tube heaters, hydronic force flow unit heaters, and a natural gas fired make-up air unit. The natural gas fired make up air unit is located centrally on the wing roof, including all associated supply air ductwork. The supply air ductwork consists of elevated rigid round galvanized steel ductwork complete with a spray applied thermal insulation to the entire length and circumference. The ductwork penetrates the roof in eight (8) locations serving 900mmØ (36"Ø) supply air diffusers located at high level within the TDC process space which distributes the treated air supply throughout the space. The space further includes several process exhausts consisting of a variety of fan types and sizes serving the various pieces of equipment. The natural gas infrared tube heaters are located at the perimeter of the process area to provide space heating in the two storey space. The hydronic force flow unit heaters provide space heating to all other spaces. The process space further includes several high level intake louvres along the southwest elevation of the wing which are interlocked with general exhaust fan(s) for additional space ventilation.

HVAC to the TDC wing administration areas is provided by a single Trane natural gas fired heating, direct expansion cooling packaged rooftop unit with a rated capacity of 3,492LPS (7400cfm) airflow, 142.0kW (485.0MBH) heating input with a thermal efficiency of 80% and a cooling capacity of 90.0kW ((308.0MBH) 25.7tons), based on the available information provided. The ventilation system consists of several variable air volume (VAV) terminal boxes complete with hydronic reheat coils of various sizes. Visible supply, return and exhaust air ductwork consists of combination of thermally insulated and uninsulated rigid galvanized steel ductwork throughout. Supply air diffusers and return air grilles consist of four way square diffusers and egg crate grilles of various sizes. Sanitary exhaust to the shower and change room areas is provided by roof level centrifugal exhaust fans. We note that the exhaust system appeared to not be operating at time of this review and evidence of high humidity levels (ie. paint peeling and blisters) were noted within the change rooms.

HVAC to the office wing is provided by means of five (5) Trane packaged rooftop units complete with hydronic heating coils and direct expansion cooling. The unit capacities, based on the available drawings are as follows:

Designation	Serving	Supply Airflow LPS (cfm)	Heating kW (MBH)	Cooling kW (MBH (Tons))
RTAC-1	Ground & Second Floor East	9,184 (19,460)	102.5 (350.0)	189.7 (647.8 (54.0))
RTAC-2	Ground & Second Floor East Central	8,495 (18,000)	102.5 (350.0)	179.2 (612.1 (51.0))
RTAC-3	Ground & Second Floor West Central	6,843 (14,500)	87.8 (300.0)	143.2 (488.9 (40.7))
RTAC-4	Ground & Second Floor West	7,056 (14,950)	102.5 (350.0)	157.8 (538.9 (45.0))
RTAC-5	Kitchen & Cafeteria	2,855 (6,050)	142.2 (485.5)	88.5 (302.3 (7.4))

The existing rooftop units were installed as part of the original construction and are therefore currently 17 years old. BOMA's guidebook for best practices indicates that this type of equipment typically has an estimated useful life expectancy of 18-20 years, which is dependent upon the level of maintenance performed. Therefore the existing rooftop equipment are nearing the end of their estimated useful life expectancy. Furthermore the existing equipment utilizes R22 refrigerant as the medium for air conditioning. Federal legislation adopted as part of the Montreal Protocol of 1989, implemented the phase out of Chlorofluorocarbons (CFCs) and Hydro chlorofluorocarbons (HCFCs), which are ozone depleting substances. Refrigerant R22 (chlorodifluoromethane) is a HCFC ozone depleting substance scheduled to be phased out. In Canada as of the year 2010, no new equipment can be manufactured or imported and the allowable imported volume of refrigerant has been reduced to only 25% of the 1996 baseline. As of the year 2015 the volume was reduced to 10% and will be reduced to 0.50% in the year 2020.

The ventilation systems consist of variable air volume (VAV) terminal boxes complete with hydronic reheat coils of various sizes capacities. Visible supply, return and sanitary exhaust air ductwork consists of combination of thermally insulated and uninsulated rigid galvanized steel ductwork throughout. Supply and return air duct mains located on the building roof consists of elevated rigid round galvanized steel ductwork complete with a spray applied thermal insulation to the entire length and circumference. Isolated portions of the insulation has failed creating cracks and/or delaminated areas which may introduce rain into the ductwork. Supply air diffusers and return air grilles consist of a combination of four way square diffusers, linear bar diffusers and egg crate grilles of various sizes. Sanitary exhaust to the washrooms and janitor's closets are provided by roof level centrifugal exhaust fans. Perimeter supplementary heating corresponding to glazed areas and skylights is provided by means of hydronic radiant ceiling panels of various lengths.

The hydronic heating system serving the both the TDC and office wings consists of two (2) Lochinvar natural gas fired boilers located in the ground floor mechanical room in the office wing. Each boiler is rated for 527.1kW (1,800.0MBH) input, with a thermal efficiency of 84%. The hydronic system operates with a primary (boiler) loop and secondary (building) loop consisting of a single inline circulating pump for each boiler and two (2) vertical inline pumps (duty/standby) serving the building. The hydronic system further utilizes a 50% ethylene glycol solution, in lieu of the 25% solution indicated on the drawings, as the heating medium. We note that the increased glycol solution density will decrease the amount of heat transfer available and increase the pumping requirements. The boilers are of the original building construction and appear to be in generally satisfactory condition at this time with an estimated remaining life expectancy of 8 years. Flue gas venting of the boilers is provided by means of a single flue gas vent up through the building roof and consists of type B, double wall vent pipe. During our visual review, portions of the double wall venting have been removed and/or failed and have been repaired utilizing a foil heat resistant duct tape. This method of repair is not in accordance with CSA B149.1 (Gas Utilization Code), the gas

authorities' requirements and the manufacturer's installation requirements. The flue gas venting system includes an exhaust fan which maintains the vent under negative pressure to prevent back venting through the second appliance.

Visible heat transfer piping consists of a combination of thermally insulated and uninsulated black steel piping with threaded and flanged fittings and joints. Isolated random locations of missing thermal insulation and staining were observed indicating potential previous repairs.

Air conditioning to the server and telecommunication rooms is provided by means of a combination of Liebert vertical fan coil units with remote air cooled condensing units and Mitsubishi wall and ceiling cassettes with remote air cooled condensing units. All equipment was observed to operating utilizing R22 refrigerants.

The building heating, ventilating and air conditioning systems are controlled by means of Trane Tracer building automation system (BAS) with the computer located in the building operator's office within the TDC wing.

2.4 Electrical

2.4.1 *Power Distribution*

Main power to the site is provided from the 27.6kV overhead utility service running along Savannah Oaks Drive, South of the property. The overhead medium voltage service lines are transitioned into an underground concrete encased duct bank and consist of three 1c# 2/0 – 28kV XLPE insulated medium voltage primary cables, feeding the main transformer.

The main transformer is an outdoor pad-mounted delta-wye 27.6kV to 600/347V, 3000/4000kVA rated unit with resistance grounded neutral. Transformer secondary cables connect to the main service entrance switchboard DP-1 located on the second floor of the TDC Building in Electrical Room 278 via cable tray.

Building power distribution is a 4000A, 3 phase, 4 wire 600V resistance grounded system. The main power distribution switchboard DP-1 serves the TDC wing electrical loads and provides a 1200A feed to the Office wing.

A 150kW, 3 phase 600V natural gas fueled generator located on the mezzanine level of the TDC building provides emergency backup power in case of utility power failure via an automatic transfer switch. The automatic transfer switch is equipped with isolation/bypass features which allow for servicing of the switch without interruption to the facility.

It is our assessment that the current electrical service can easily accommodate the power requirements of the future office and TDC wing loads. The electrical installation seemed well maintained and neither code compliance issues nor electrically hazardous conditions were identified. Adequate spare space exists in the electrical panels for new electrical services, should modifications to the electrical system be required. The main distribution panel DP-1 circuits that feed the TDC wing production floor arc furnaces, welding and CNC equipment used in the current manufacturing process will be redundant and therefore can be disconnected, freeing up further system capacity and circuit breaker space.

2.4.2 *Building Lighting*

Lighting levels seemed appropriate for the intended use throughout the building. No under lit or excessive lighting conditions were experienced during the visit.

The Office wing lighting system mainly consists of recessed compact fluorescent lighting fixtures in the corridors and linear fluorescent lighting fixtures in the office spaces. The lighting fixtures provide a comfortable ambient lighting level suitable for most office environments, have a modern contemporary appearance and should not require replacement in the coming 7 years. Office wing lighting is controlled through lighting relay panels with manual switch input. Dual circuit light control schematic provides automated switching of lighting fixtures designated as emergency lights.

The TDC wing production area utilizes HID high bay light fixtures for the production floor lighting and industrial grade fluorescent light fixtures on the mezzanine level. Quantity of production area HID fixtures may be reduced in the future as current lighting levels are designed for manufacturing operations and may be higher than required for less demanding operations.

2.4.3 *Emergency Lighting*

Emergency lighting and exit fixtures operate on generator back-up circuits. Exit lights are standard ceiling or wall units. Emergency lighting fixtures are standard lighting fixtures along the egress path operating on dual circuit light control scheme. Placements of the exit signs meet the Ontario Building Code requirements; however exit signs may need to be upgraded to the new “Green Running Man” standard to fully comply with updated OBC exit sign requirements. We note isolated exit signs have already been replaced with the “Green Running Man”. The Emergency lighting system was not tested and emergency lighting levels were not measured at the time of this review.

2.4.4 *Fire Alarm*

The main fire alarm control panel is located in the building operator’s office located in the TDC wing and the annunciator panel is located at the west entrance of the office building and provides coverage for the Office and TDC areas. A 60 zone EST panel is provided that monitors manual pull stations, duct smoke detectors and sprinkler system devices. There are 27 spare programmable fire alarm zones remaining on the fire alarm. Electronic horns are utilized for signalling a fire alarm condition in the Office wing and combination horn and strobe units are utilized in the TDC wing. The Ontario Building Code requires visual signalling devices in addition to audible signalling devices to be installed in corridors, public gathering areas and areas of high ambient noise; therefore the Office wing area shall have the audible signalling units upgraded to strobe and horn combination units.

2.4.5 *Data and Communications*

There is a provision for fibre optic cable in a direct buried 100mm PVC duct running up to the second floor data server room for internet access. The building telephone system utilizes the VOIP – voice over internet protocol. Office spaces and workstations are provided with standard Ethernet data cabling and outlets.

2.4.6 *Building Security*

The building is monitored by a Mirtech International security system complete with a video surveillance CCTV system and 6 outdoor cameras monitoring strategic building areas. The building maintenance manager previously advised that Mirtech International has gone out of the business; however several competing companies have the ability to provide maintenance and servicing of the existing system components.

3. Building Code Review

Based on a review of the available architectural drawings, it appears that the original building was designed as two separate 2-storey buildings separated by a 2-storey link. The office building was designed according to the requirements of the Ontario Building Code (OBC) 3.2.2.54 Group D up to 3 storeys, sprinklered. The TDC was designed according to OBC 3.2.2.81 Group F-3, 1 storey, spinklered. Both of these classifications are appropriate for the proposed use of the building by BPI. The proposed repair garage area would be classified as F-2, medium hazard industrial. This can be accommodated in the existing TDC under OBC 3.2.2.72.

The link between the two buildings is required to be of non-combustible construction and to have a 45 minute fire separation at each end. The existing link meets these requirements.

Since the building has a functioning sprinkler system, more than one tenant is allowed without the need to construct any additional fire separations. We note that the existing open stairways and small atrium spaces do create a possible security concern if the two floors were occupied by separate entities. This is an operational issue to be addressed rather than a building code concern.

If the proposed plan involved more than one occupancy on either floor, then a fire safety plan would be required to ensure that adequate exits were provide for each tenant.

4. Zoning Bylaw Review

Under the City of Brantford Zoning Bylaw the property is zoned M3-5 Industrial. The proposed use of the property by Brantford Power is allowed under the bylaw with the exception of outdoor storage which is specifically prohibited. Gaining approval to use a portion of the site as outdoor storage would require at a minimum approval of a Minor Variance Application by the Committee of Adjustment. Provision of a berm and extensive landscape screening is suggested to support such a Minor Variance Application; however, there is no guarantee that any form of screening would be acceptable to the Committee of Adjustment. The Minor Variance Application process includes a period of at least 30 days where the application is made public so that neighbouring property owners are aware of the application and have an opportunity to register their concerns, if any, with the City prior to a decision being made.

The proposed building additions and partial lot severances would require Site Plan Approval from the City. We understand that BPI has started this process by requesting a pre-consultation meeting with the City. Required vs provide parking space numbers would be assessed as part of the SPA review process.

5. Concept Plan

We have developed a concept site plan and building plans that accommodate the various spaces and equipment areas identified through the JL Richards schematic design process. Please refer to Appendix A, B and C for these concept plans.

5.1 Site Plan

The concept site plan in Appendix A identifies a total area of approximately 5.4 acres for exterior yard storage of poles, transformer vaults and other large material. The plan developed for outdoor storage by JL Richards at the Garden Ave. site included approximately 5.4 acres. Given the irregular shape of the proposed yard storage area, 1.3 acres of the adjacent 5 acre parcel of land is being used for yard storage and still provide appropriate vehicle circulation. The remainder of this property (approximately 3.7 acres) could be sold.

The yard elements provided are those developed during the Garden Ave. site schematic design process. These include pole storage, transformer storage, fueling station, training station, waste bins and covered cold-storage for trailers and pad storage for miscellaneous supplies. The surface of the yard is planned to be 2/3 asphalt paving and 1/3 recycled asphalt. The asphalt paving will be used in areas of truck turning for durability. The recycled asphalt surface provides better dust mitigation than gravel; however, use of this material is subject to approval by the City of Brantford Planning and Engineering Departments.

252 car parking spaces are available. Further assessment of the required number of parking spaces to meet the Zoning Bylaw is required. Ample driveways, circulation space and turning radii are provided for all vehicles including trucks pulling pole trailers.

A berm and landscape screening are indicated on the concept Site Plan around three sides of the yard storage area. This is the minimum that would be required for the Minor Variance to possibly be approved.

Security fencing, cameras and exterior yard lighting would also be required.

5.2 Office Plan

Through discussions with BPI it was determined that the second floor space is recommended for use by BPI to improve operational efficiency. This is achieved by keeping related functional groups closer to each other on the second floor while maintaining direct access to the TDC via the link. The available area for BPI administrative use is 2,304m^2.

A portion of the second floor space (86m^2) has been assigned to the Energy+ Administrative staff. This space is accessible from the public corridor which also provides access to the elevator.

The proposed Brantford Hydro Inc. (BHI) space of 290 m^2 has been shown as connected to the existing Data Room. If the space was in excess of 300m^2 a second egress door would be required. This would then require a second exit corridor. Given that the space is just under this limit only one egress is required. A short corridor extension is indicated to provide access to the existing exit stair. The second floor of the office building is designed for a Live Load of 2.4kPa (50 psf) which is normal for office use and includes the existing data room. Should the

data room require expansion in the future, the floor structure should be reviewed to consider the actual layout and weight of proposed equipment.
The existing open circulation stair would need to be enclosed in a fire separation to serve as one formal exit for the Energy+ Administration area.

We have included only a modest cost allowance for cleaning and partial painting but no other upgrading / replacement of architectural finishes or other renovations throughout the office space. Depending on the layout in a detailed design exercise, there may be some other costs required.

As mentioned in Section 3 above, the open internal stairs and smaller atrium areas may need to be modified to provide the desired level of security between BPI and other tenants depending on the requirements of those tenants. We have not included these enclosures in the cost estimates in this report.

Existing common areas on the ground floor, such as the reception, cafeteria, and washrooms would remain accessible to all building occupants. It is assumed that operation of the cafeteria would be leased out to a private operator.

As previously discussed the existing packaged rooftop units are nearing the end of their useful life and therefore replacement should be anticipated by the year 2021. Furthermore the existing units utilize a refrigerant which is being phased out of production by the year 2020 and therefore replacement components and refrigerant recharges will become increasingly more difficult and costly. We recommend that this equipment be replaced with new energy efficient and environmentally 'green' equipment of similar capacities. This equipment as discussed previously provides heating by means of a heated ethylene glycol solution through hydronic coils. The existing building incorporates a large capacity natural gas service which may be redistributed to serve the new packaged rooftop equipment in lieu of the hydronic coils, once the TDR wing equipment is no longer required. The hydronic system will still be required for the indoor reheat coils and supplementary heating, but would be of a smaller capacity and therefore reducing the boiler requirements. A reduction in operating costs would be realized simply through the efficiency of new equipment compared to the existing. Conversion to natural gas units takes advantage of the existing ample gas service.

Eliminating the packaged rooftop hydronic heating coils will also eliminate the requirement of utilizing a glycol solution for the hydronic medium. Ethylene glycol is a code compliant heat transfer medium however it is considered to be toxic material and is required to be collected and disposed of in accordance with provincial legislation. System leaks due to pipe and/or component fatigue requires the solution to be collected and not discharged to the building drain. Building occupants within the areas affected by piping and/or equipment should be relocated until the toxic material is removed. Alternate non-toxic glycol mixtures are available should the hydronic heating coils in the rooftop units remain. It should also be noted that ethylene glycol cannot be utilized in spaces preparing and serving food such as the cafeteria unit (RTAC-5) and associated reheat coils and radiant panels.

5.3 Vehicle Storage Plan

To provide column-free, secure, heated truck parking space for each of BPI and Energy+, 2 new parking garages are proposed. The parking areas indicated match those developed for the Garden Ave site. The garages each have a direct connection to the Warehouse area for operational efficiency. The location and orientation of the garages allows for ease of vehicle circulation and access to the Warehouse.

The concrete slab-on-grade in the TDC should be suitable for vehicle loads assuming the granular material below the slab is well-compacted. No evidence of settlement or excessive slab cracking was noted in the existing

building. The steel trench covers are too light to support vehicle loads. The plate covers would need to be removed and the pits infilled as part of the renovation plan.

The second floor of the TDC is generally designed for a Live Load of 200 psf. In the current layout this space is not identified for a particular use. Lighter parts storage or infill as additional office space could be considered in the future.

The existing TDC wing includes numerous process exhaust systems, make-up equipment and outdoor air intake louvres which can be modified to suit the proposed vehicle storage as required. Vehicle gas detection alarms would be required.

6. Estimated Cost

A high level construction cost estimate for the recommended improvements is provided below. This should be considered a Class D cost estimate with an accuracy of plus or minus 25%. These estimates are based on 2018 dollars and are subject to change pending a detailed design exercise and will be affected by found conditions and information not currently available. Costs will also be affected by the building conditions remaining after Wescast removes their equipment from the building. At this point, it is not clear what, if any, of the existing process equipment and laboratory equipment is to remain. BPI may experience additional costs to remove surplus equipment or to address building finishes once current equipment is removed. Furniture costs and relocation costs are not included.

Vehicle Storage Additions + Office Building + Site Improvements = $16.2 million
Optional Improvements = $2.9 million.

Please refer to Appendix D for a breakdown of this cost estimate.

Note that the cost included for the vehicle garage additions is based on a modest building with a steel frame, insulated metal sandwich panel walls, flat roof, infra-red heaters, make-up air for ventilation and rough-in for a manual hose-style wash station. Air conditioning, in-floor heating, washroom and epoxy floor finish are not included. Additional design elements which may be requested by the City of Brantford due to the prominent location of the site are not included.

7. Additional Considerations

Some considerations that should be examined in the next steps of the design are:

1. Costs could be reduced by reducing the indoor, heated truck parking garage area. Several of the smaller trucks could be placed in an extended covered cold storage building intended for trailers. The truck would require block heater connections at a minimum. Additional ventilation would be required in the cold storage building if trucks were parked there.

2. Costs could be reduced by using some of the surplus Warehouse space for storage of transformers, vaults or other items planned for outdoor storage. This would reduce the amount of site development required and would increase the amount of surplus land that could be sold. This would require movement of the items into the Warehouse for storage and then out of the Warehouse for use. This requires review with Operations staff.
3. The position of the Energy+ and BPI Operations areas on the main floor of the TDC work well in that these areas already have heat and air conditioning suitable for office spaces. The downside is that Energy+ does not have a separate, direct entrance to the space at this point. Also, the BPI Operations area is separate from the rest of the BPI Administrative space.
4. Contractor mark-up, consulting fees and contingency are not included for the optional items (roofing and HVAC unit replacement). These would be determined depending on the process used to undertake the work.
5. Sub-metering of the various spaces (BPI, Energy+ and Tenant) is not included. Substantial rewiring of the building would be required to accommodate this.

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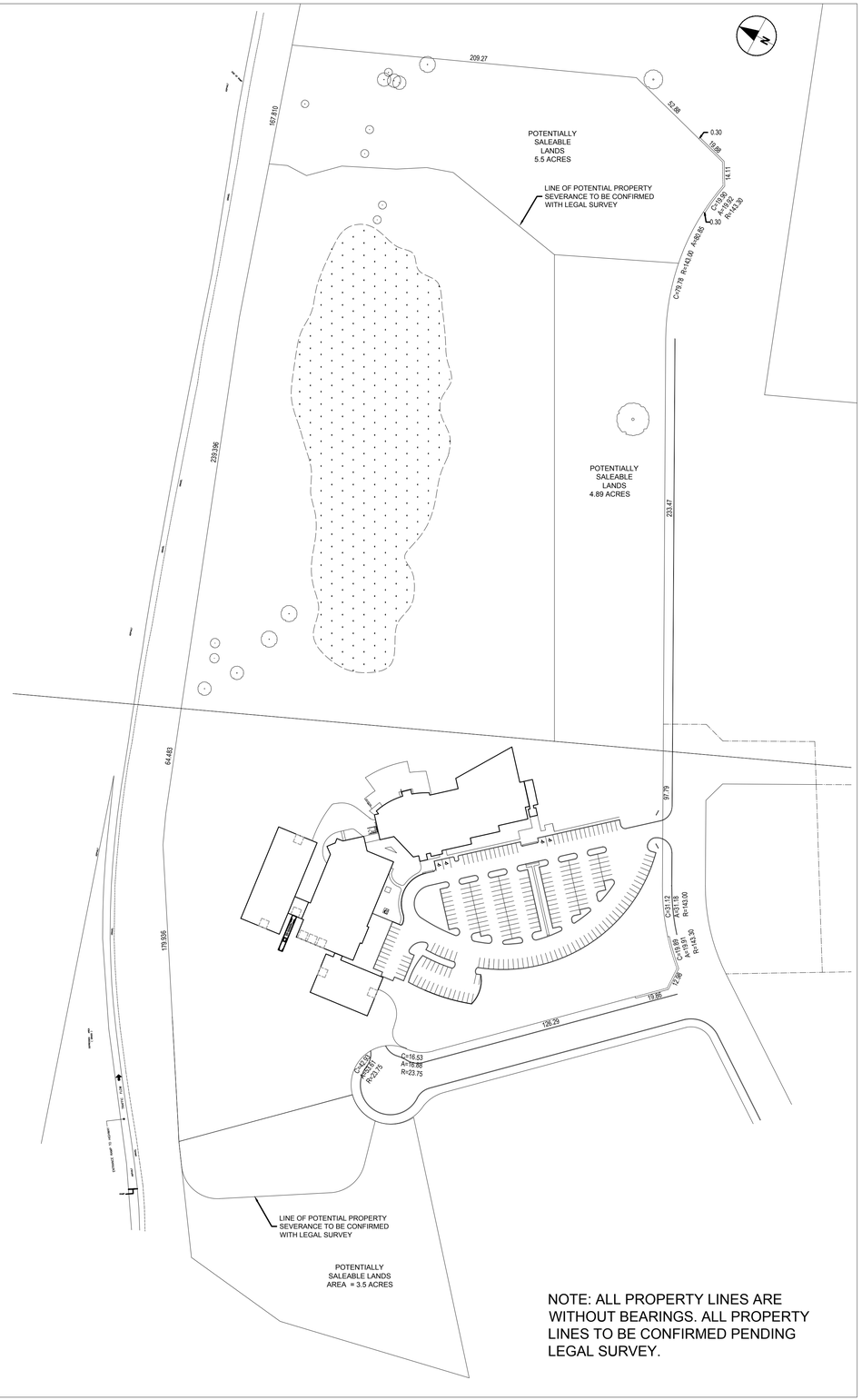
Appendix A

Concept Site Plans



NOTE: ALL PROPERTY LINES ARE WITHOUT BEARINGS. ALL PROPERTY LINES TO BE CONFIRMED PENDING LEGAL SURVEY.

1 DD-1 KEY SITE PLAN
SCALE: N.T.S.

AECOM

PROJECT

BRANTFORD POWER OPERATION CENTRE STUDY

150 SAVANNAH OAKS DR.
BRANTFORD, ONTARIO

CLIENT

BRANTFORD POWER INC.

220 COLBORNE ST.
BRANTFORD, ONTARIO
P: 519-751-3522 F: 519-756-6041

CONSULTANT

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50 Sportsworld Crossing Road, Suite 290
Kitchener, Ontario, N2P 0A4
519 650 5313 tel 519 650 3424 fax
www.aecom.com

REGISTRATION

ISSUE/REVISION

I/R	DATE	DESCRIPTION
A	YYYY-MM-DD	

KEY PLAN

PROJECT NUMBER

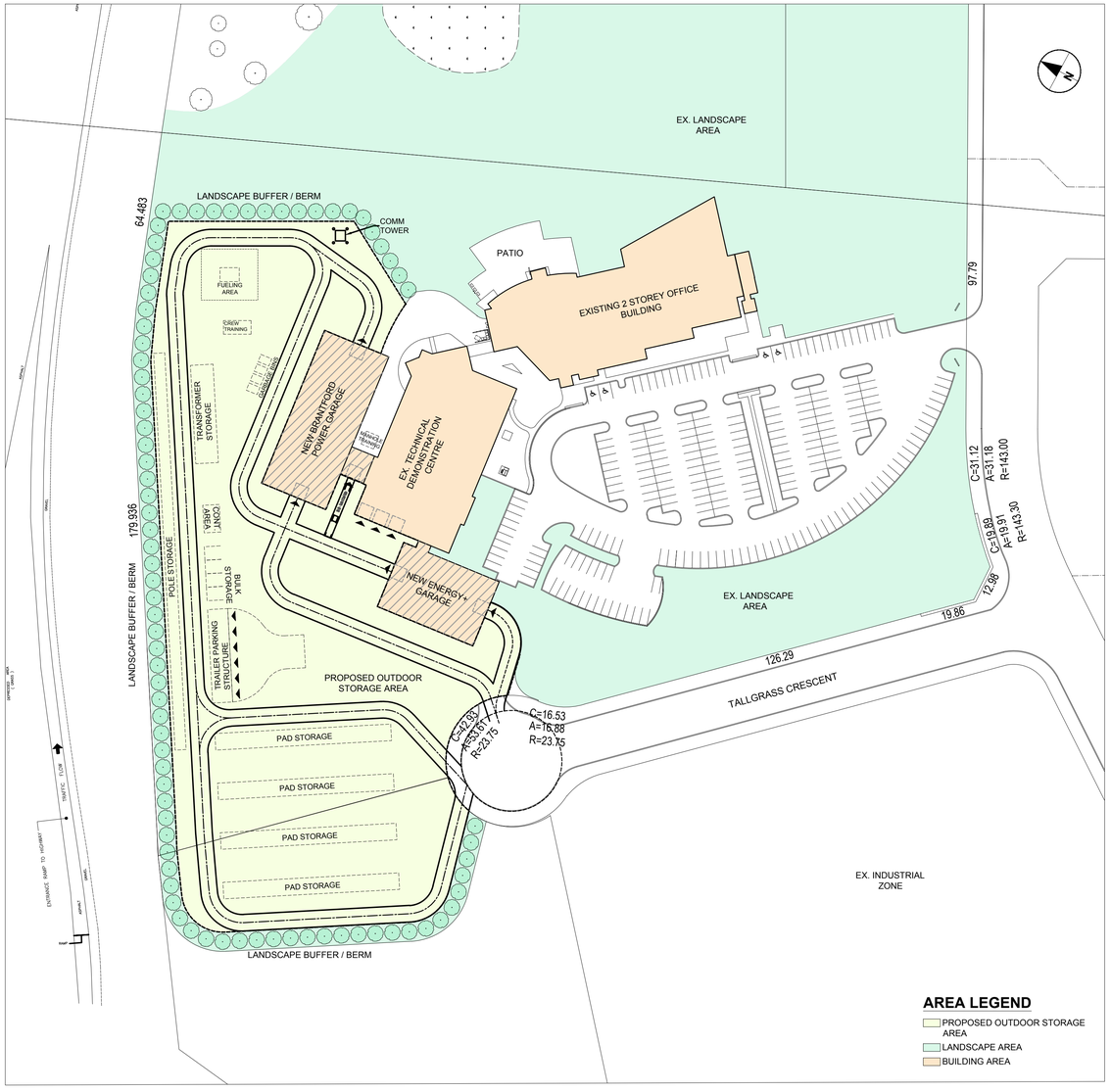
60590599

SHEET TITLE

KEY SITE PLAN

SHEET NUMBER

A101



2 PROPOSED SITE PLAN
DD-1 SCALE: 1:1000

AECOM

PROJECT

BRANTFORD POWER OPERATION CENTRE STUDY

150 SAVANNAH OAKS DR.
BRANTFORD, ONTARIO

CLIENT

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REGISTRATION

ISSUE/REVISION

A	YYYY-MM-DD	
I/R	DATE	DESCRIPTION

KEY PLAN

PROJECT NUMBER

60590599

SHEET TITLE

SITE PLAN

SHEET NUMBER

A102

Project Management Initials: Designer: AECOM Checked: DW Approved: JF ARCH D 24" x 36"
Filename: P:\60590599 BPI BTFD\900-CAD_GIS\910-CAD\20-SHEETS\ABPI-FS-SITE PLAN - 2018-10-29.DWG Last saved by: ROLOSON,MARK Last Plotted: 2011-05-25

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Appendix B

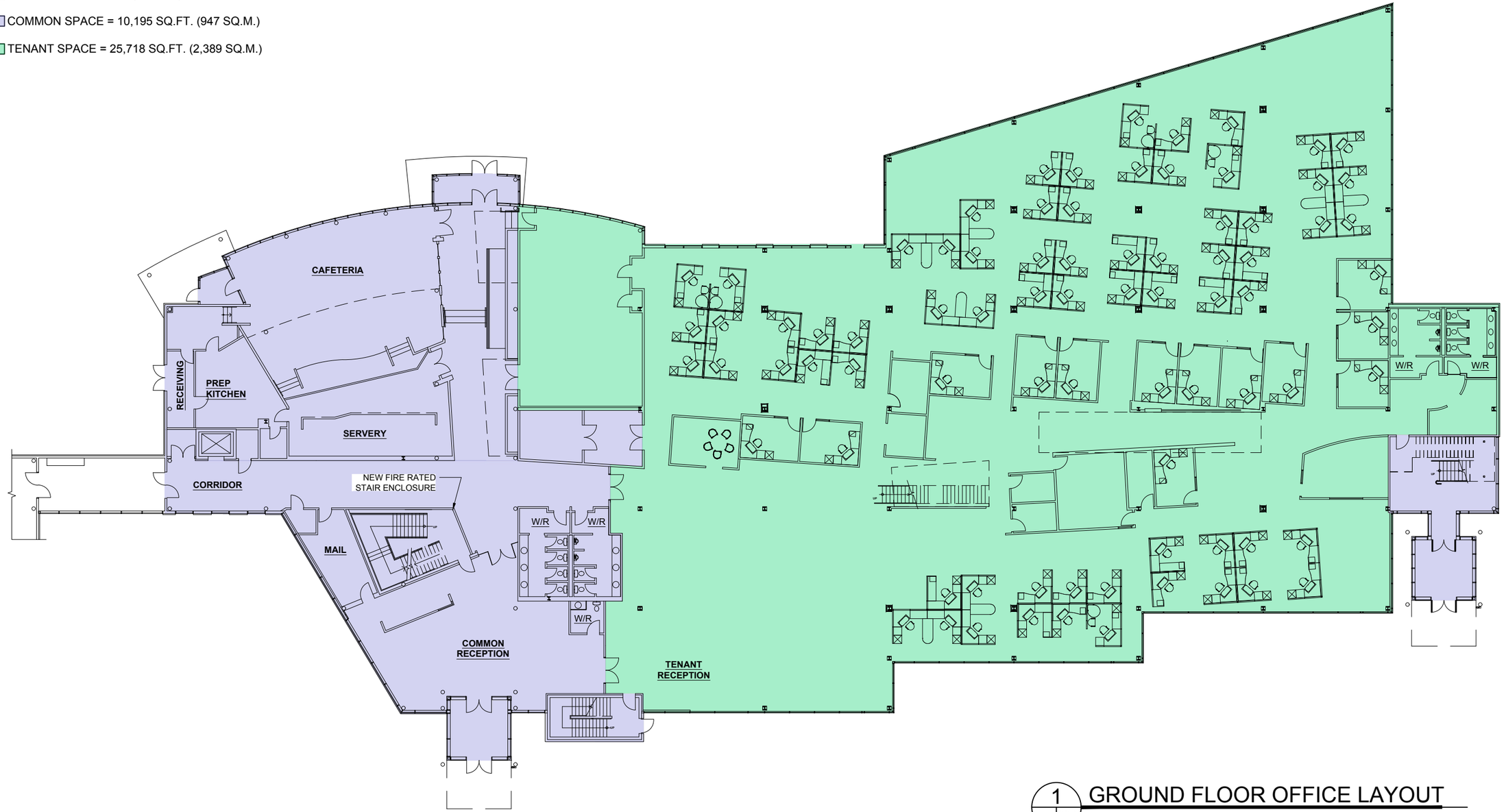
Concept Floor Plans – Office Area

AREA LEGEND

BPI SPACE = 0 SQ.FT. (0 SQ.M.)

COMMON SPACE = 10,195 SQ.FT. (947 SQ.M.)

TENANT SPACE = 25,718 SQ.FT. (2,389 SQ.M.)



1 DD-2 GROUND FLOOR OFFICE LAYOUT

SCALE: 1:300 TOTAL AREA: 36,364 SQ.FT. (3,378 SQ.M.)

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Brantford Power Operation Centre Study - 150 Savannah Oaks Drive

GROUND FLOOR OFFICE LAYOUT

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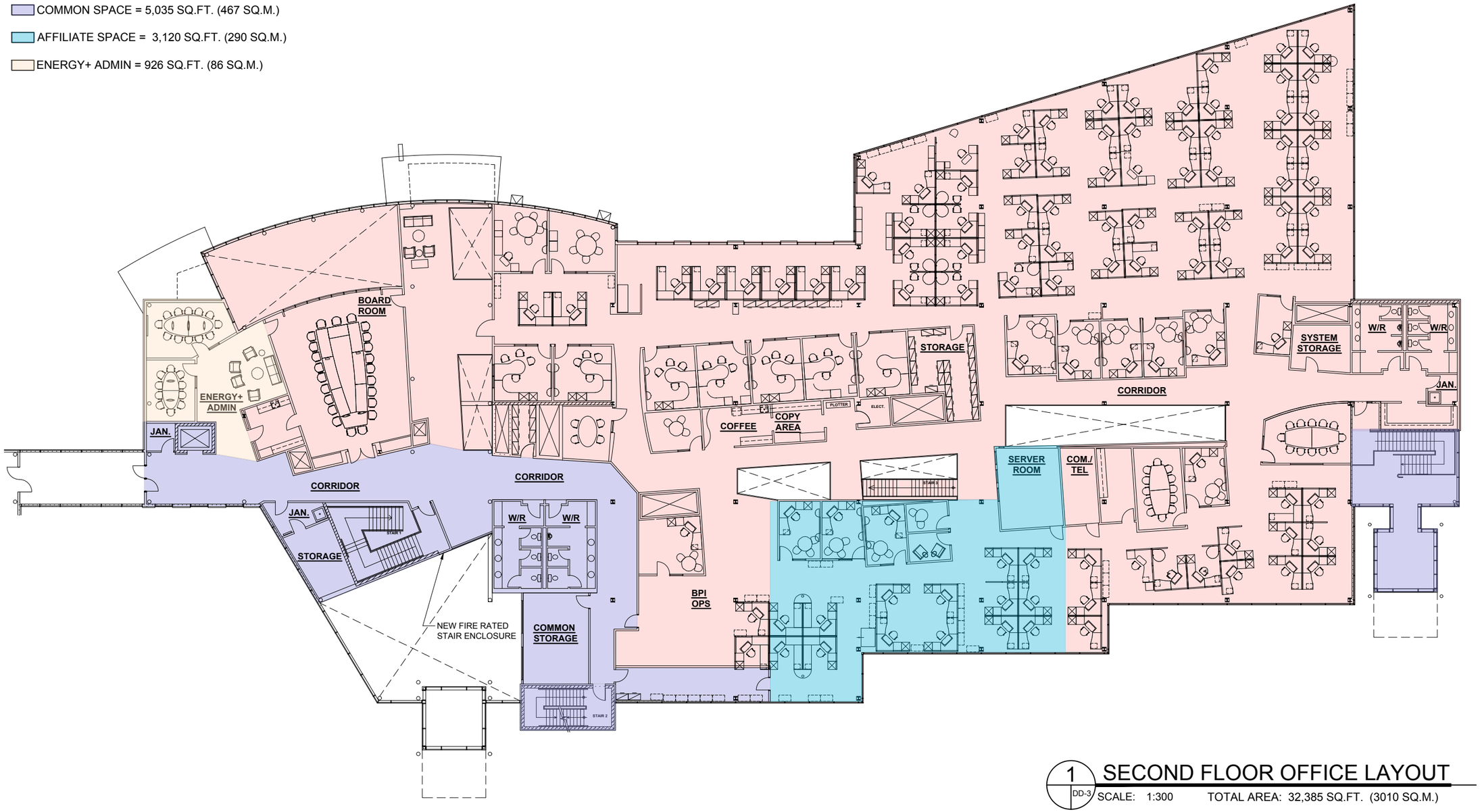
AREA LEGEND

- BPI SPACE = 24,808 SQ.FT. (2,304 SQ.M.)
- COMMON SPACE = 5,035 SQ.FT. (467 SQ.M.)
- AFFILIATE SPACE = 3,120 SQ.FT. (290 SQ.M.)
- ENERGY+ ADMIN = 926 SQ.FT. (86 SQ.M.)



1 DD-3 SECOND FLOOR OFFICE LAYOUT

SCALE: 1:300 TOTAL AREA: 32,385 SQ.FT. (3010 SQ.M.)

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Brantford Power Operation Centre Study - 150 Savannah Oaks Drive

SECOND FLOOR OFFICE LAYOUT

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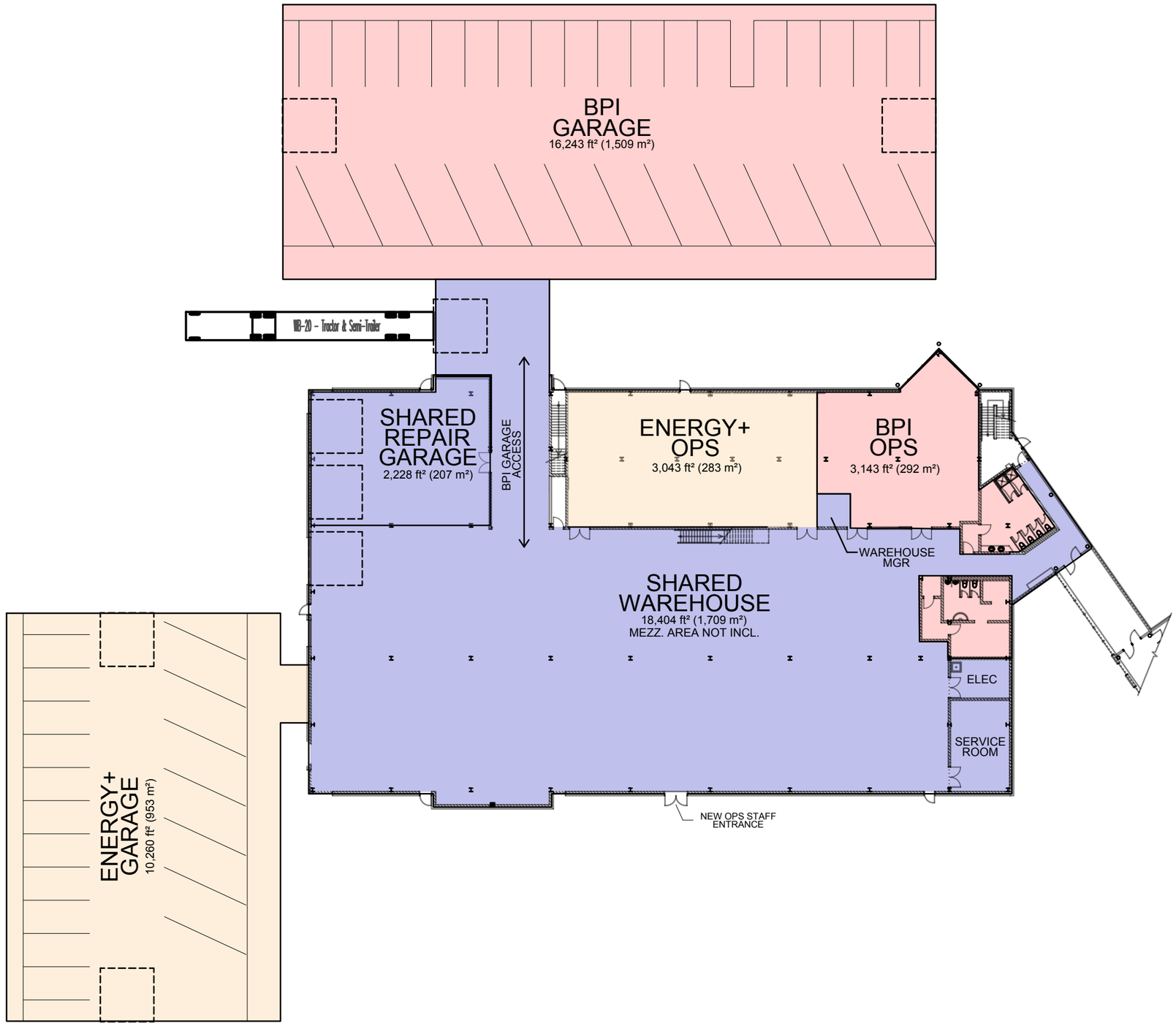
Appendix C

Concept Floor Plan – TDC



AECOM

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Appendix D

Cost Estimate

Brantford Power
150 Savannah Oaks Drive
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16-Nov-18

Vehicle Storage Additions + Office Building + Site Improvements

Description	Quantity	Unit	Rate ($/m²)	Total
TDC (Vehicle Storage)				
Demolish West Bay of Mezzanine	60	m2	$250	$15,000
Infill Pits in Existing Labs	1	Allow.	$10,000	$10,000
Infill Trenches in Warehouse	1	Allow.	$50,000	$50,000
Add area of E+ Operations	188	m2	$1,800	$338,400
Add area of BPI Operations	386	m2	$1,800	$694,800
Allowance for Mezzanine Renovation	1	Allow.	$100,000	$100,000
Add Repair Garage	207	m2	$1,545	$319,815
Cut in Overhead Doors and Link Access	4	Allow.	$25,000	$100,000
Bollards, Guards, Safety Painting	1	Allow.	$30,000	$30,000
High-Bay Wall Clean and Paint	1	Allow.	$35,000	$35,000
Add BPI Vehicle Garage and Link	1523	m2	$2,260	$3,441,980
Add E+ Vehicle Garage and Link	953	m2	$2,260	$2,153,780
Ventialtion System Modifications	1	Allow.	$45,000	$45,000
Replace Water Heater and Tank	1	Allow.	$80,000	$80,000
Add Backflow Preventor	1	Allow.	$15,000	$15,000
Fire Alarm upgrades	1	Allow.	$10,000	$10,000
Exit sign replacement	1	Allow.	$3,000	$3,000
Office Area				
Enclose Exit Stair	1	Allow.	$60,000	$60,000
Second Floor Exit Corridor	1	Allow.	$40,000	$40,000
Reception for BPI/Affiliates	1	Allow.	$50,000	$50,000
Energy+ Entrance	1	Allow.	$20,000	$20,000
Replace Door Hardware	1	Allow.	$5,000	$5,000
General Cleaning	1	Allow.	$20,000	$20,000
Barrier Free Reception Counter Modifications	1	Allow.	$5,000	$5,000
Accessibility Upgrades if Required	1	Allow.	$50,000	$50,000
Repaint Office Walls - Partial	1	Allow.	$50,000	$50,000
Building Signage	1	Allow.	$100,000	$100,000
Assess Communication Systems	1	Allow.	$20,000	$20,000
Column Base Repainting	1	Allow.	$2,500	$2,500
Convert Ethylene to Propylene in HVAC	1	Allow.	$50,000	$50,000
Fire Alarm Upgrades	1	Allow.	$10,000	$10,000
Exit Sign Replacement	1	Allow.	$7,500	$7,500
Site (Yard Storage Area)				
Excavation and Removal Off-site (25,244m2 yard)	15000	m3	$25	$375,000
150mm Granular A	9135	tonne	$20	$182,700
450mm Granular B	27405	tonne	$15	$411,075
Asphalt Paving (2/3 of Yard)	6600	tonne	$80	$528,000
Concrete Pads	1824	m2	$50	$91,200
Lighting	1	Allow.	$125,000	$125,000
Landscape Screening/Berm	1	Allow.	$100,000	$100,000
Security Fencing	605	m	$170	$102,850
Servicing (CBs, storm drain, OGS)	1	Allow.	$150,000	$150,000
Security Cameras	1	Allow.	$20,000	$20,000
Fueling Station	1	Allow.	$350,000	$350,000
Trailer Parking Structure	248	m2	$1,000	$248,000
Net Estimated Building & Site Construction Costs				$10,615,600
Contractor's General Requirements / Profit	12%			$1,273,544
Net Estimated Contractor's Fees				$1,273,544
Consulting Fees	9%			$1,070,023
Cost Estimate Contingency	25%			$3,239,792
Net Estimated Contingency Allowances				$3,239,792
Permits and Approvals	Allow.			$32,044
Total Estimated Construction Costs				$16,231,003

Optional / Deferred Items

TDC Roof Process Mechanical Demolition	1	Allow.	$75,000	$75,000
TDC Rooftop HVAC Unit Replacement	1	Allow.	$300,000	$300,000
TDC Roofing Replacement including Link	3000	m2	$200	$600,000
Office Roofing Replacement	3430	m2	$200	$686,000
Office Rooftop HVAC Unit Replacement	1	Allow.	$1,100,000	$1,100,000
Boiler System Modifications	1	Allow.	$100,000	$100,000
Total Estimated Optional Construction Costs				$2,861,000

Colliers Project Leaders

BPI-1812-003

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811038-0093(1.0).docx
Project:	BPI/Garden Ave	Date:	2018-12-12
Period:	Project Status Report – Dec 2018		

1. Summary

This is a update to the special report provided last month that updates the Board on the accommodations strategy and providing further information on the two options being considered, building a new facility on Garden Ave or purchasing and renovating the existing facility on Savannah Oaks.

2. Background

As reported previously, the formal RFP process that Brantford Power Inc conducted over the summer of 2018 with input from the City of Brantford and Colliers to procure a Design Builder to construct the new green field operations and administration facility on Garden Ave was unsuccessful. Based upon market conditions none of the pre-qualified vendors were able to deliver the facility within the budget range established by Brantford Power Inc based upon value to the ratepayer and ability to obtain sufficient financing.

Concurrent to this development in the Garden Ave facility, there was renewed interest from the current owner of the Savannah Oaks facility to re-start discussions to sell the property to Brantford Power. Based upon the recommendation of Management and approval from the Board in September 2018, Brantford Power has executed a conditional offer to purchase the Savannah Oaks facility. This decision to intentionally defer proceeding the process for the construction of Garden Ave facility allows for a cooling off period and an additional level of due diligence to the process of finding a new home for Brantford Power.

3. Conditional Offer for 150 Savannah Oaks

As communicated previously Brantford Power has a conditional offer to purchase the property at 150 Savannah Oaks. As of this writing the only conditions remaining are to Brantford Power's benefit and including two "subject to The Buyer obtaining Board of

Directors Approval" conditions. The first conditional period which already has been extended once is due on 2018-12-27 and the second conditional period is due on 2019-02-25.

While there has been significant progress on all conditions since initiation on 2018-09-26 there are still a number of outstanding critical variables that require further due-dilligence. The remaining items in this report outline those items and will support Management's recommendation that all the remaining conditions be extended to 2019-02-25 from 2018-12-27. This will of couse make both subject to Board approval conditions due on the same day and make them redundant.

4. Due Diligence Studies for Savannah Oaks

Following the board meeting on 2018-11-28, Brantford Power and Colliers have continued with the due diligence activities on the 150 Savannah Oaks Drive property while continuing to hold on the Garden Ave option.

Due diligence activities completed prior to the 2018-11-28 board meeting include:

- Gathering of records from the seller as well as consulting firms involved in the design and construction of the existing facility as well as permit application records from the City of Brantford
- Design and estimating of a Concept Design Study by AECOM
- Initiating a Phase 1 ESA Study from AECOM and a Designated Substances Survey from Englobe
- Preparation and Submission of an Application for Pre-Consultation to the City of Brantford
- Participating in preliminary discussions with City of Brantford Planning, Economic Development, and Senior Admin regarding the plans for the facility
- Completing a Furniture Inventory for the building
- Arranging an inspection of the roof by a roofing consultant
- Performing tours of the facility with the Chair of the Board, Energy+ and Brantford Hydro to gain feedback.

In the last 2 weeks since the 2018-11-28 Board meeting the following additional activities have been completed:

- Performed a roof inspection and received a report on the roof
- Received the Phase 1 Environmental Site Assesment report Designated Substances Survey report
- Authorized Marshall Murrary to proceed with a Class D estimated based upon the conceptual design prepared by AECOM to validate costs
- Attended a Site Plan Agreement pre-consultation meeting with the City
- Received finalized floor plans from the furniture inventory
- Explored the option of reducing the amount of outdoor storage required
- Reviewed the concept plans with the MTO

- Initiated discussions with planners and AECOM to determine next steps
- Begun creating a pro-forma and new rate impact analysis for the proposed transaction
- Initiated process to validate conditions of the rooftop HVAC units

Environmental

The Phase 1 ESA did identify one Area of Potential Environmental Concern (APEC) on the site and one on an adjacent property. The on-site APEC is that there is evidence that some fill has been imported and/or dumped on the site within the area of the former quarry as well in mounds on the 5 acre parcel off of Tallgrass Court. The off-site APEC is that at 1 Ferrero Blvd, which is adjacent to and up-gradient of the site, there was a historical large volume spill of 200 L of brake fluid and 41,000 L of washwater.

As a result of the Phase 1 ESA report's statement that potential soil and groundwater impacts originating from the Site or neighbouring properties could be confirmed by completing a Phase II ESA, it is Management's intent to perform a Phase 2 ESA in conjunction with a geotechnical investigation prior to the 2019-02-25 conditional period completion.

Municipal Approvals

As stated previously, the zoning for the Savannah Oaks site does not currently allow open storage, and this is a requirement for Brantford Power to occupy this building as we require outdoor storage to operate our business.

Based upon preliminary discussions with the City of Brantford Planning, Economic Development, and the administration on 2018-11-01, we were of the understanding that permission to allow open storage could be requested through a minor variance process.

Based upon this, Brantford Power Inc submitted an Application for Pre-Consultation to the city planning department and initiated the formal request for pre-consultation and submitted the form on 2018-11-02 and the rest of the requested documentation and fees on 2018-11-07 and was able to secure a spot on the Development Review agenda for 2018-12-06.

At the 2018-12-06 meeting we were informed by the City that we would instead be subject to a Zoning Bylaw Amendment, not a Minor Variance as they believe that our request fails one of the 4 tests for the application to be considered minor in nature.

While each of these processes have some unique attributes neither has 100% certainty of success.

Below is a table indicating the key variances between the two processes.

Attribute	Minor Variance	Zoning Bylaw Amendment
Design Fees[1]	$50,000 to $100,000	$150,000 to $250,000
Additional Design Fees	N/A	Costs for Planner, Planning Justification Report, and Transportation Impact Study
Schedule to Complete (includes design work & city review and approval)[2]	3 to 6 months	6 to 9 months
Public Consultation	Sign on Site Notice to Adjacent Properties of upcoming public meeting with at least 10 days notice Decision be Committee of Adjustment at public meeting Mandatory 20 day appeal period following decision	Larger sign on site Notice to more Adjacent Properties of upcoming public meeting with at least 20 days notice Public meeting Decision by council Mandatory 20 day appeal period following decision
City Fees	$1,807.80	$7,292 (minor) / $10,044 (major)

Management and Colliers are currently exploring every option available to either contain the scope; reduce the cost to complete; and reduce the overall schedule of the Zoning Bylaw Amendment.

Concept Design Study Cost Validation

At the request of the Board at the 2018-11-28 meeting Brantford Power has retained the services of Marshall Murray to complete an independent Class D estimate on the

[1] This are not additional design fees to what was estimated previously but instead the amount that will need to be spent to prior to obtaining approval for the outdoor storage
[2] The above noted timelines are contingent upon continuing with the professional services of AECOM and will be subject to extensions if a public procurement process is undertaken

conceptual design completed by AECOM to provide additional validation of the costs. We are expecting this to be completed by 2019-01-11 at the latest.

5. Options Analysis

Below is an update to the options analysis presented in the previous report including Management's recommendations to the Board of Directors for review and discussion.

Option A – Garden Ave

The first option, "Option A", is proceeding with the Garden Ave facility in January/February 2019. The simplest and quickest way to proceed would be to remove the price cap from the previous RFP and re-issue it to the pre-qualified proponents.

We could also contemplate re-starting the entire procurement process and re-qualifying Design Builders, but it is not expected that will achieve any significant cost reductions and would delay the final completion of the facility.

Based upon the feedback from the Design Build proponents we understand that the facility as designed would cost in the range of $22-25 million plus land, FF&E, permitting, and other soft costs would give us a best-case scenario of $28.5 to $31.7 million for a purpose-built facility.

Full details for Option A are included in the summary table below.

Option B – Savannah Oaks

The second option, "Option B" is the purchase of the land and buildings at 150 Savannah Oaks Drive and renovating and expanding as required to meet Brantford Power's and Energy+'s operational needs.

As stated above, BPI retained the services of AECOM to prepare a conceptual design and cost estimate based upon adapting the latest schematic design for the Garden Ave facility. The intent of this exercise was to determine the cost to achieve of maintaining the same level of operational performance at the Savannah Oaks facility as was designed in the Garden Ave facility with as few compromises as possible.

Roof and HVAC Roof top unit replacement

Following the 2018-11-28 Board meeting Brantford Power has obtained a roof inspection report from an experienced roofing professional as well as received information from the current maintenance company in charge of the rooftop HVAC equipment. For both items it has been confirmed that there is no immediate need to replace them as they both have 3-5 years left of their life left.

For the roof there is some minor repairs costing less that $10,000 that should be done as part of our renovations including a thermal scan to determine the performance of the insulation but our understanding is that it would be premature to consider a full replacement of the roof at this time.

For the rooftop HVAC units, we also met with the company who has been maintaining the units since the building has been constructed and they have confirmed that these units should not require complete replacement for another 3-5 years also. There is an increasing chance of failure of these units the longer they are operated but provided that a thorough investigation is done and funds are allocated for limited emergency repairs if required, we believe that the full replacement of these units can be safely deferred for 3-5 years.

For both of these items we would recommend that the condition of both be reviewed annually to re-confirm these predictions.

Variances from Option A - Garden Ave

As stated in the previous report, below are the key variances from Option A – Garden Ave:

- Warehouse is 18,000 SF as compared to 8,000 SF
- Two repair bays instead of one
- Additional Office space available for rent
- Additional land available for sale

Cost Estimate for Option B

Once the conceptual design was complete, a cost estimate and budget was created for this option and scenarios with and without a 25% contingency totals were determined based upon all known costs to date. Based upon the assumptions included in the Savannah Oaks budget, we believe the best-case scenario to now be $24 million, (down from $26.7 million) and the worst case to be $30.3 million (down from $32.9 million). Please note that in both best- and worst-case scenarios it is assumed that all 14 acres of surplus land would be severed and sold but at different rates.

Full details for Option B are included in the summary table below.

Options Summary Table

Option	A – Garden Ave		B – Savannah Oaks	
Site Area	10 acres		48.4 acres	
Usable Land	10 acres		30.5 acres	
Surplus Land	0 acres		13.9 acres	
Remaining Useable Land	10 acres		16.6 acres	
Building Area	64,477 SF		Current: 96,000 SF Proposed: 123,000 SF	
	Best Case	Worst Case[3]	Class D Estimate (AECOM)	Class D Estimate +25%
Project Budget	$28.5 m	$31.7 m	$24.2 m	$30.5 m
Construction Costs	$23.7 m	$26.9 m	$12.9 m	$17.8 m
Real Estate costs[4]	$1.7 m	$1.7 m	$8.8 m	$9.5 m
Other[5] Costs	$3.1 m	$3.1 m	$2.5 m	$3.2 m
Cost per SF	$442.02/SF	$491.65/SF	$196.74/SF	$247.97/SF
Projected Rate Impact[6]	$2.20	$2.46	Less than $1.32	Less than $1.66

[3] The Best & Worst Case costs for Garden Ave incorporate feedback from the proponents of the Design-Build RFP
[4] In Option B the real estate costs are net of the sale the surplus land
[5] Other costs include: Soft costs, Furniture, Fixtures, Equipment, and Permits and Fees
[6] Directional rate impacts for the typical Residential Customer after an ICM application, based on a broad series of assumptions subject to change and the inclusion of operational expense impacts to be included in rebasing in 2022.These rates are independent of renting out of first floor

Option	A – Garden Ave	B – Savannah Oaks
Advantages	• Purpose built, no additional areas • Already own land • Avoid potential write-offs of costs incurred to date • NEW: Estimated completion date is Q2-Q3 2020	• Lower rate impact to customers due to sharing of costs with additional tenant. • $/SF costs in line with OEB benchmarking which increases the probability of rates being approved • Office is move in ready • Warehouse is 10,000 SF larger • 25,000 SF of office space available for rent • 14 acres of land that could be severed and sold (already included in budget) • 2 repair garage bays • Additional space to pursue growth for affiliates • Potential to revisit renewables. • Proceeds from sale of Garden Ave land
Disadvantages	• Cost/ SF is out of line with sector Benchmarking, resulting in the likelihood that the total costs would not be approved and funded by rate payers • Limited flexibility in terms of future growth opportunities • Single repair garage bay	• NEW: Expected completion date is for full occupancy Q4 2020 to Q1 2021 due to additional municipal approvals • NEW: Significant investment required into design prior to receiving approval from city to permit open storage without certantity of outcome • Risk of not finding an office tenant to help absorb the costs of the large space not used by BPI, E+ or BHI • Risk of not being able to sell surplus land • Incurring a partial write off of work completed for Garden Ave • Expected closing date in 2019, contributing to additional operational costs that are not funded through ICM revenue

Table of Building Areas by Tenant

Occupant	Option A Garden Ave	Option B Savannah Oaks	Variance
Brantford Power Inc.	37,297	44,337	-7,040
Energy+	14,743	14,230	513
Brantford Hydro Inc.	2,906	3,122	-216
Shared	9,536	20,624	-11,088
Common	0	15,220	-15,220
Future Tenant	0	25,715	-25,715
Total	**64,482**	**123,248**	**-58,766**

6. Incremental Value Streams

Below are several additional value streams that, aside from the sale of the surplus land, are not included in the costs identified above. At the time of writing the report Management had initiated building proformas for the Savannah Oaks option.

- Incremental value from relationship with Energy+ through lease agreements, shared service agreements, and licensing agreements which can be realized for both Option A and Option B.
- Exclusive to Option B - Savannah Oaks are the following additional value streams
    a. Leasing revenue from 1st floor office space (approximately 25,000 SF)
    b. Sale of the surplus properties (included in budget figures identified above)
    c. Sale of property on Garden Ave

7. Potential Further Cost Savings for Option B

Reduce the size of the yard based upon increased size of the warehouse – up to $727K

Based upon the conceptual design, the warehouse at Savannah Oaks will be significantly larger than planned for Garden Ave, coming in at approximately 18,000 SF as compared to 8,000 SF. This is due to the surplus of space within the TDC and the difficulty of adapting the existing structural and utility conditions to vehicle garage use. As this warehouse will have significantly more storage capacity than required there is the potential to reduce the size of the yard by approximately 1.5 acres and store the displaced items within the warehouse.

Item	**#**	**Unit**	**Notes**
Area	1.5	Acres	
Unit cost to develop into yard	-$335,000	$/acre	From AECOM estimate
Total Cost reduction	-$502,000	$	
Unit Sale price of land	$150,000	$/acre	Based on lower end of sale estimate ranges
Total Sale price	$225,000	$	
Total benefit to project	$727,000	$	

8. Financing

At the time of this report there has been no material change on this front. Below is the update from the previous report.

At the completion of the formal procurement process completed through 2018, in September of 2018 the Board approved BPI proceeding with plans to access financing of up to $25 million. As a part of the due diligence for the Savannah Oaks property, Management validated Brantford Power's ability to invest beyond the $25 million of financing obtained and the sensitivity of Brantford Power's overall capital plan to those incremental investments. As a result of Management's analysis and subject to Royal Bank reconfirming the available financing following their due diligence on Option B, it has been estimated that an investment of an additional $6 million would leave the financial health of the utility intact for the long-term planning of Brantford Power and would allow Brantford Power to proceed with either accommodations strategy provided that the total capital cost did not exceed $31 million.

9. Recommendation

Below are Management's recommendations for the Board's approval

Real Estate Transaction

Based upon the Areas of Potential Environmental Concern identified in the Phase 1 ESA as well as the uncertainty around the timing of the Zoning Bylaw Amendment process Management is requesting the Board's approval to negotiate the following changes to the conditional offer:

1. All of the deadlines are extended to be concurrent to the second conditional period of 2019-02-25;

Prior to the completion of the 2019-02-25 condition, Management will provide the board with an update on all of the conditions and expects to be able to remove all of the conditions with the exception of the "The Buyer obtaining all required regulatory; zoning by-law amendment and ministry approvals it requires in its sole and absolute discretion." condition and the remaining "The Buyer obtaining Board of Directors Approval" condition.

Procurement of Professional Services for the Zoning Bylaw Amendment

Assuming that no other option will be found than to proceed with the Zoning Bylaw Amendment, Management is requesting the Boards approval to proceed with a non-competitive procurement of services to complete the Zoning Bylaw Amendment to progress with the design of Option B – Savannah Oaks Drive.

Our justification for a non-competitive procurement is based upon the following factors:

1. The time required to complete a public competitive procurement for these services would add 2-3 months to the schedule to complete the Zoning Bylaw Amendment and increases the risk that we will not be successful in finalizing the transaction with The Seller

Our proposed approach to retaining the services of AECOM would be for Colliers to adapt the contract terms and conditions developed for the previous prime consultant procurement for the Savannah Oaks renovation and expansion and request a proposal from AECOM for the identified services concurrent to progressing with the work. The proposal from AECOM would be reviewed and compared to industry benchmarks and negotiated to an acceptable amount prior to approval.

In addition to the delay of the procurement, we have extensive experience and knowledge of the 150 Savannah Oaks property in the AECOM team that would be lost if they went with any other proponent.

The value of these services should be no more than $250,000 range.

10. Appendix A – Conditions in Offer

Condition	Current Deadline	Status	Projected Completion Date
The state of repair and all structural and environmental aspects of the lands, Building(s) and all other improvements located on the Property(s), including the proper function and condition of the structure, roof and all the Seller's fixtures. For such purposes, the Buyer and/or its consultants and representatives and their equipment shall be entitled to have access to the Property(s) at all reasonable times to make such inspections and conduct such tests and environmental audits as the Buyer shall require in its absolute discretion, all at the Buyer's sole risk and expense;	Dec 27, 2018 (was Nov 27, 2018)	**State of repair:** Roof appears to have 3-5 years of life left with minor repairs, no concerns Rooftop HVAC units can be maintained for another 3-5 years with some increased maintenance. **Structural:** No identified concerns. **Environmental:** Two Areas of Potential Environmental Concern, can be explored as part of a phase 2 ESA concurrent with Geothechnical Investigation. DSS confirmed some lead paint in some areas, not a significant concern. **Fixtures:** Detailed furniture inventory completed Issues documented with existing communications cabling. Further discussion with seller for scope of removals of existing equipment.	Feb 25, 2019

Condition	Current Deadline	Status	Projected Completion Date
The Buyer obtaining suitable financing on terms, conditions and an amount that the Buyer may determine in its sole and absolute discretion;	Dec 27, 2018 (was Nov 27, 2018)	At the completion of the formal procurement process completed through 2018, in September of 2018 the Board approved BPI proceeding with plans to access financing of up to $25 million. As a part of the due diligence for the Savannah Oaks property, Management validated Brantford Power's ability to invest beyond the $25 million of financing obtained and the sensitivity of Brantford Power's overall capital plan to those incremental investments. As a result of Management's analysis and subject to Royal Bank reconfirming the available financing following their due diligence on Option B, it has been estimated that an investment of an additional $6 million would leave the financial health of the utility intact for the purposes of this 5-year plan and would allow Brantford Power to proceed with either accommodations strategy provided that the total capital cost did not exceed $31 million.	Feb 25, 2019
The Buyer obtaining Board of Directors Approval;	Dec 27, 2018 (was Nov 27, 2018)	At the time of writing this report Management is pursuing an extension to this first conditional period. Board meeting is scheduled for Nov 28, 2018	Feb 25, 2019
The Buyer being satisfied in its sole and unfettered discretion with the data and details contained in the Information to be provided as per Section 8 of this Schedule "A".	Dec 27, 2018 (was Nov 27, 2018)	No issues identified	Already completed
The Buyer obtaining final Board of Directors Approval; and	Feb 25, 2019	Board retreat scheduled for Jan 22, 2019	Feb 25, 2019

Condition	Current Deadline	Status	Projected Completion Date
The Buyer obtaining all required regulatory; zoning by-law amendment and ministry approvals it requires in its sole and absolute discretion.	Feb 25, 2019	Based upon the feedback from the City of Brantford we expect the Zoning Bylaw Amendement process to take 6-9 months to complete so we are recommending that this condition be extended until the end of Q3 in 2019. This timing assumes we can procure the prime consultant under a non-competitive arrangement.	End of Q3 2019 (was June 28, 2019)

DATE: December 19, 2018 **REPORT NO. BPI-1812-005**

TO: Mr. Scott Saint, Chair and Directors

FROM: Brian D'Amboise, CFO & VP Corporate Services

1.0 TYPE OF REPORT:

☐ **For Decision**

☐ **For Discussion**

☒ **For Information**

2.0 TOPIC: 2019 BUDGET AND MULTI-YEAR FORECAST

3.0 RECOMMENDATION

That the Brantford Power Inc. (BPI) Board of Directors approve the proposed 2019 Budget and Multi-Year forecast and recommend its approval to the Brantford Energy Corporation Board of Directors.

4.0 PURPOSE

To present to the Board of Directors for approval a proposed 2019 Budget and Multi-Year forecast with related background and explanatory information.

5.0 BACKGROUND

Management presents annually to the Board for approval, a proposed budget for the next fiscal year and financial forecasts for the subsequent four years.

Management provided a 2019 budget update report at the November Board meeting. This current report will provide the Board with an update on the key 2019 budget issues along with commentary on how Management has addressed these issues in the budget proposal. By submitting this budget proposal for approval, Management believes it reflects a prudent financial plan for the business that balances the interest of the key stakeholders.

Once the 2019 Budget and Multi-Year Forecasts are approved by the BPI Board, the Company is obligated to obtain the approval of its shareholder, Brantford Energy Corporation (BEC). Provided the BPI Board approves the budget proposal on December 19, 2018, the approval from BEC will be requested later on December 19, 2018 when the BEC Board is convened.

6.0 INPUTS FROM OTHER SOURCES

BPI Senior Leadership Team & BPI Leaders
Mariana Gonzalez - BPI Corporate Controller

7.0 STRATEGIC PLANNING CONTEXT

Before addressing the specific budgetary issues, it is important to review with the Board the current trajectory of the business vis a vis the approved strategic plan and how those initiatives align with the distribution rate funding calendar established through the current OEB Cost of Service rebasing schedules.

Following the 2017 Cost of Service Rate Proceeding, BPI is not expected to rebase its distribution rates until 2022 meaning that the Distribution Rates established in 2017 continues to be the basis of BPI's revenues for the next three years subject to annual IRM rate adjustments approximating inflation. BPI has an opportunity to request an interim funding adjustment over and above the IRM adjustments to compensate BPI for its planned capital investment in new operating and administrative facilities as such investments will exceed the stipulated materiality threshold prescribed under the Ontario Energy Board's eligibility criteria for accessing the Incremental Capital Module (ICM) process.

The Board will recall that since the planned acquisition of consolidated facilities did not come to fruition during 2017 as hoped, that portion of the Cost of Service application was withdrawn from consideration resulting in no current funding for the impact of any new consolidated facilities.

Assuming BPI proceeds in 2019 with one of the two facility projects currently being evaluated, BPI anticipates that it will be preparing and submitting in mid 2020 an Incremental Capital Module application to obtain incremental funding in 2021 distribution rates.

However, as incremental funding will only be available in 2021 if BPI substantially occupies the facility before the end of 2021, the current budget includes a provision for ICM revenues beginning in 2021, in order to be conservative. It is important to note, that if BPI could substantially occupy the new facilities in 2020, BPI's ICM funding would double in 2020 as the half year rule that applies to 2021 would not be in effect. In addition the amount approved in 2020 would be built into the base rates in 2021. This

would translate into an additional $1,562,000 in distribution revenues until 2022 when the rates are rebased. Although the budget reflects $521,000 in additional revenues in 2021, the opportunity cost for not being able to occupy the facilities in 2020 is estimated to be $1,041,000. This represents a permanent loss as there is no ability to recover such amounts on a retrospective basis. Again, the budget has been prepared on this conservative basis however Management intends to continue to strive for the earliest occupancy date possible.

The Financial Implications section of this report will provide more insight into the impact of the timing difference between investments and rate funding.

8.0 ANALYSIS

8.1 ANALYSIS – Introduction

As outlined above, BPI's funding levels are substantially in place for the 2019-2021 period with the exception of an anticipated adjustment in 2021 from the Incremental Capital Module application. Nevertheless, as BPI nears the completion of the current strategic plan, the Company has made much progress on its planned business renewal agenda. Among these are the following largely concurrent activities many of which will continue into 2019:

- Completing the transition to a new Financial Information System (FIS) in 2017;
- Beginning the implementation of a new Customer Information System (CIS) in 2018 with expected completion in early 2019;
- Initiating in late 2019, certain remaining System Integration initiatives including the upgrade to the GIS system and future scheduled periodic software upgrades to core FIS and CIS systems;
- Acquisition of a new or repurposed consolidated facility allowing for the centralization of operations and administration from the existing three separate leased locations;
- Continued LDC collaboration with the planned implementation of the shared stock room, vehicle maintenance and vehicle fueling stations with Energy+ at the new facilities in addition to ongoing other collaboration activities largely through Grid Smart City;
- The need to address succession planning on a number of critical human resources in a manner that ensures legacy knowledge is documented and retained;
- Identification and implementation of specific grid modernization and automation projects to address current reliability issues or to accommodate customer requirements. As part of this initiative, BPI is planning a third party assessment on the future modernization and automation of BPI's distribution network with

the objective of establishing a road map for this initiative. This is also expected to address gaps in the current distribution system necessary to address the growing customer interest in new and potentially disruptive technologies such as battery storage installations.

In addition to these business priorities, BPI is faced with a number of additional important critical business activities during this same period. Among these include:

- Ongoing Implementation of BPI's current capital investment plan;
- Submission of ICM application and resulting OEB proceeding;
- Implementation of Cybersecurity measures in line with the OEB's Cybersecurity Framework;
- Implementation of policy changes stemming from the most recent Long Term Energy Plan (2017) and possible, yet to be announced new Government amendments to this plan;
- Likely implication of customer facing policy initiatives including implementation of new bill formats, social media capabilities, implementation of new rate structures allowing for more customer choice, announced and future changes in customer service rules and a number of customer affordability measures including changes to disconnection rules.

During this heightened period of change, BPI will need to build into its financial plan the requirement for temporary transitional resourcing and overlapping operating costs. As the current funding levels are based on the 2017 costs of service with limited inflation adjustments, they do not provide for any overlapping costs that were not anticipated or exceed the estimates prepared at that time. From the OEB's perspective, the business is expected to invest its funds now in order to yield future productivity savings and efficiencies.

Consequently, the 2019 Budget and Multi-Year Forecast is reflecting near term returns that are below the posted OEB return on equity primarily due to unfunded cybersecurity and succession planning overlapping costs combined with the impact of the new facilities. All of these initiatives are putting downward pressure on returns until the next rebasing of rates in 2022. Some mitigation will occur prior to 2022 once BPI is in receipt of ICM revenues, rental income and related contributions to facility costs from Energy+ and BHI and BPI can monetize some of the savings anticipated in the multiple shared services initiatives planned with Energy+.

Nevertheless, the goal of the current financial plan is to complete the renewal agenda prior to the next rebasing when BPI will have established its "new normal" cost of service. It is expected achieved returns will be less volatile and more in keeping with the targeted rates established by the OEB following the Cost of Service rebasing in 2022.

8.2 ANALYSIS – Significant Budget Uncertainties

Management has identified the following areas of budget uncertainty that have been addressed in the final budget proposal to the Board of Directors but still carry higher than typical financial planning risks.

- Government Policy Uncertainty
- Impact of alternative Consolidated Facility Options

The following narrative will highlight some of the key implications of these budget uncertainties and will present Management's plans to address them.

Government Policy Uncertainty: The Board may recall, that the current Ontario Government included in their platform during the last general election that, if elected, they would deliver a further 12% savings to electricity customers. At this time, the Government has yet to announce specific measures to achieve this additional savings. The recent Fall Economic Statement tabled on November 15, 2019 included the following measures which could impact LDC's:

- Support for the current OEB Modernization Review Panel whose recommendations are expected to be made public late in 2018;
- Support for further consolidation in the Electricity Sector by extending two Transfer Tax time-limited exemptions for another 2 years;
- Initiating a public review of Industrial Electricity Prices as part of its "Open for Business Policy";
- Support for the issuance of "Green Bonds" to help finance projects including energy conservation and efficiency projects;
- Update the Fair Hydro Plan refinancing changes by moving the cost of the various Global Adjustment elements to the tax base;
- Announced a renewed approach to managing compensation requiring provincial agencies to obtain approval for bargaining mandates. It has also suspended any increases in Executive Compensation in the Broader Public Sector until it completes a full regulatory review by June 2019. These changes do not apply directly to Local Distribution Companies but the overall government priority of reducing costs and avoiding rate increases to the general public and business is likely to result in similar expectations in the electricity sector as the OEB and intervenors follow suit.

In addition to these announced measures, the sector understands the Government is currently reviewing additional measures which may or not be approved that could impact LDCs including:

- Possibly making e-billing the default option for distributors with paper billings only issued on an exception basis;
- Reviewing the role of intervenors in the various regulatory processes;
- Possibly mandating separate bill disclosure of the expected 2019 Federal Carbon Tax on bills;
- Possible changes to the current Return on Equity level embedded in current distribution rates.

Management has incorporated into the 2019 Budget known impacts of announced government decisions and incorporate provisions where announcements have not been finalized but sufficient information exists that it is more likely than not that a change will take place that will impact revenues or costs.

Management **has not** incorporated any explicit contingencies to address yet to be announced policy changes. Such policy changes, should they occur, could impact BPI in 2019 and future years and will need to be addressed by the business once such announcements are made.

Impact of alternative Consolidated Facility Options: The Board continues to be engaged to establish its preferred option for new consolidated facilities. Although further due diligence will be required, it is not possible to present a 2019 budgetary plan with two facility scenarios. Consequently, based on the available information currently available, it appears that the 150 Savannah Oaks property is the most probable – so the 2019 Budget and Multi-Year forecast reflects this scenario with planned ownership of the facilities expected on November 1, 2019.

Although there are similarities to both initiatives, the nature of the two projects representing in one case a greenfield new build project, while the other represents the acquisition of an existing facility with additional construction and refurbishments would result in significant differences in the 2019 budgetary plans. Should the Board of Directors decide to pursue the Garden Avenue alternative, the Board may wish to amend the approved 2019 Budget and Multi-Year Forecast to reflect this alternative Garden Avenue scenario.

Although the proposed budget reflects only the Savannah Oaks option, Management has summarized below some of the key implications to the financial plan should BPI decide to pursue the alternate Garden Avenue option:

Brantford Power Inc.
Comparison of Issues Impacting the Budget and Multi-Year Forecast
Garden Avenue vs Savannah Oaks

Item	Garden Avenue	Savannah Oaks
Purchase Price	Investment cash outflows will proceed as construction milestones are achieved.	Purchase price disbursed on closing – further repurposing cash outflows will proceed as construction and refurbishment milestones are achieved.
Occupancy	Unlikely 2019 Occupancy is achieved – reduced requirement for 2019 budget provisions for transition and overlap costs.	Partial Occupancy is possible in 2020 with full occupancy 2021 – transition and overlap costs required in 2019 following the closing of the acquisition transaction.
Financing	Likely a series of draws and use of internal cash with final Long Term Debt issued at end of project. Nature of capitalized interest will be commensurate with payment pattern.	Large initial borrowing $11M+ to close the transaction with subsequent draws to finance refurbishments. Nature of capitalized interest will be commensurate with payment patterns.
OM&A (taxes, insurance, maintenance, utilities)	Operating costs limited until building is substantially completed.	Basic operating costs will begin to be incurred by BPI at transaction close and increase upon partial occupancy e.g. property taxes, heat, hydro, landscaping, snow plowing etc.
Surplus Property	No surplus property to deal with.	The disposition of Savannah Oaks surplus property considered part of the financial plan for this project. Further considerations for disposition of Garden Avenue Property both in term of timing and value. Surplus property on Garden Avenue is not included in rate base but is expected to have appreciated in value since land purchase in early 2017.
Rental of surplus space	Limited to Brantford Hydro Inc., Brantford Energy Inc. & Energy+ - timing based on occupancy.	Will also include Brantford Hydro and Energy+ and require additional tenant(s) for surplus space –Will need to reflect the timing and value for accommodating each tenant:

Item	Garden Avenue	Savannah Oaks
		Brantford Hydro Inc. occupancy dependent on IT infrastructure installation; Energy+ occupancy dependent on completion of the retrofit of the technical centre and the construction of new garages; The third tenant will depend on finding and appropriate tenant to occupy the remaining surplus first floor of the proposed facilities.
Financing Costs	Current indications are that BPI will borrow up to $25,000,000. Costs will be impacted by capitalization and timing of occupancy As the final interest rate is locked in following construction – the final rate could be impacted by market changes during the construction period.	Current indications are that BPI will borrow up to $25,000,000. Costs will be impacted by capitalization and timing of occupancy With the larger cash flows earlier in the project, Management may have the opportunity to lock in interest rates earlier should interest rates become volatile.
Amortization	As a new facility, all components will be amortized in keeping with their full original useful lives.	As an existing facility, all components will be allocated a portion of the purchase price and redevelopment costs amortized with their remaining useful lives.
Incremental Capital Module Revenues	Although forecasted for 2020 - Need to reflect the particulars of the transaction, especially the level of cost that will be used and useful for the regulated BPI business operations – anticipated to be higher in this scenario.	Although forecasted for 2021 - Need to reflect the particulars of the transaction and will impact value of incremental revenues especially the level of cost that will be used and useful for the regulated BPI business operations – anticipated to be lower in this scenario.

The above table illustrates many of the key differences between the two facility options. Given the materiality of the project and the specific differences attributable to each project concept, the proposed 2019 Budget and Multi-Year Forecast reflects a single scenario regarding 150 Savannah Oaks. However, as project due diligence is ongoing, budget provisions and related project milestones are based on the most recent current information. As the project remains dynamic, these budgetary provisions carry significant uncertainties, and deviations to current forecasts will likely materialize once all due diligence activities have been completed and detail plans have been completed.

This is the case as the timing and value of capital spending, lease revenues, operating costs and amortization have yet to be determined with finality. In turn, some of these figures will impact the value of ICM funding requested and approved for in 2020 or 2021 and beyond.

Although final decisions will await the completion of final due diligence, the budget is reflecting within the constraint of available information, the expected most likely outcome on a conservative basis so the overall financial plan can be tested for prudency and affordability and to ensure adequate funding sources exists and are available to meet the requisite project cash out flows.

In summary, Management has addressed the above budget uncertainties as follows:

- **Government Policy Uncertainty** – in keeping with the standard budget guidelines, provisions for the impact of government policy changes will be made when the evidence indicates a more likely than not outcome is expected. No provisions have been made for yet to be announced or speculative measures.
- **Impact of alternative Consolidated Facility Options –** Based on the currently available information indicating the Savannah Oaks option is likely to meet BPI's operating requirements while having the lowest impact to customers, the Budget and Multi-Year Forecast is reflecting this option.

After reflecting the above impacts, Management has assessed the overall prudency of the proposed Budget and Multi-Year Forecast and determined that although reflecting a lower level of Net Income in the years before rate rebasing in 2022, it reflects a complete and prudent financial plan enabling the Company to continue with its agenda until the next rebasing in 2022.

8.3 ANALYSIS - Distribution Revenues

Despite the higher than average temperatures this past summer, BPI's 2018 revenue performance trailed budget expectations due to an over accrual of 2017 year end Lost Revenue Adjustment Mechanism (LRAM) estimate. Consequently, the base revenues for 2019 will be restated to the correct base line level and will be adjusted by the IRM process providing for an inflation adjustment net of a productivity factor. The OEB has set its inflation factor for 2019 at 1.5%. After applying the productivity factor of 0.3%, BPI can expect to receive a net inflation adjustment of 1.2%. This has been reflected in BPI's 2019 distribution revenue budget. The budget assumes an average usage and customer growth pattern in line with 3 full years' history (2015-2017).

Management is expecting the 2019 Rate Decision on December 20, 2018. Should the outcome differ significantly from what is expected, Management will need to revisit its spending plans for 2019 and realign with expected funding.

Management will estimate a revenue increase beginning in 2021 resulting from the anticipated Incremental Capital Module (ICM) application planned to coincide with the year of occupancy of the new consolidated facilities. Because 2021 is the year before the scheduled rebasing of rates, ICM rules require LDCs to apply the half year rule meaning that 2021 ICM recoveries will be 50% less than what could have been available if BPI could occupy the new facilities in 2020.

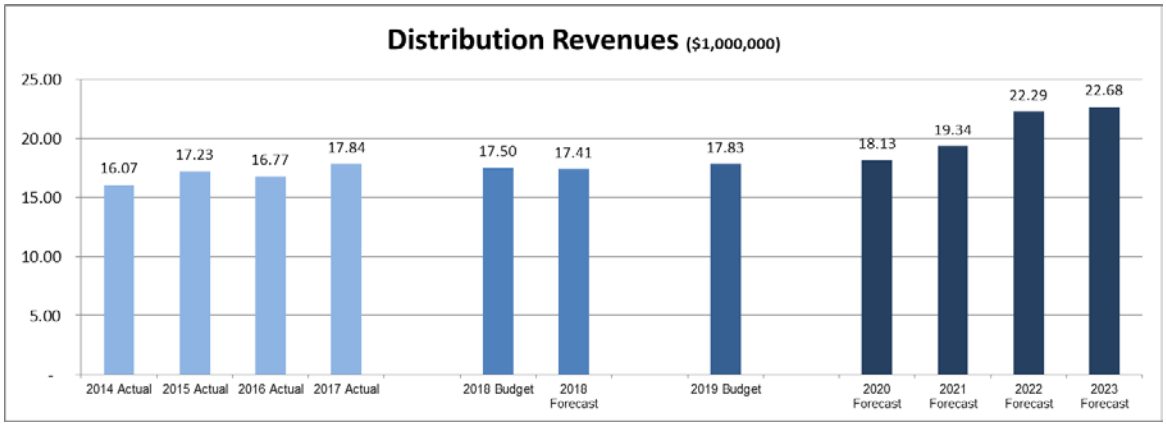
This revenue adjustment will be subject to a separate proceeding with the OEB which will evaluate the prudency of the costs incurred, the amount reflected should be considered illustrative at this time. Although Management believes it will have the evidence supporting the full ICM adjustment, the Budget reflects an estimate of 95% of the calculated amount to reflect the fact that rate decisions typically do not result in the achievement of the requested amount.

Details of the distribution revenue components have been reflected on Schedule E – Schedule of Commodity Recoveries and Other Revenues and Financial Expenses. In summary, the comparative distribution revenues can be summarized as follows:

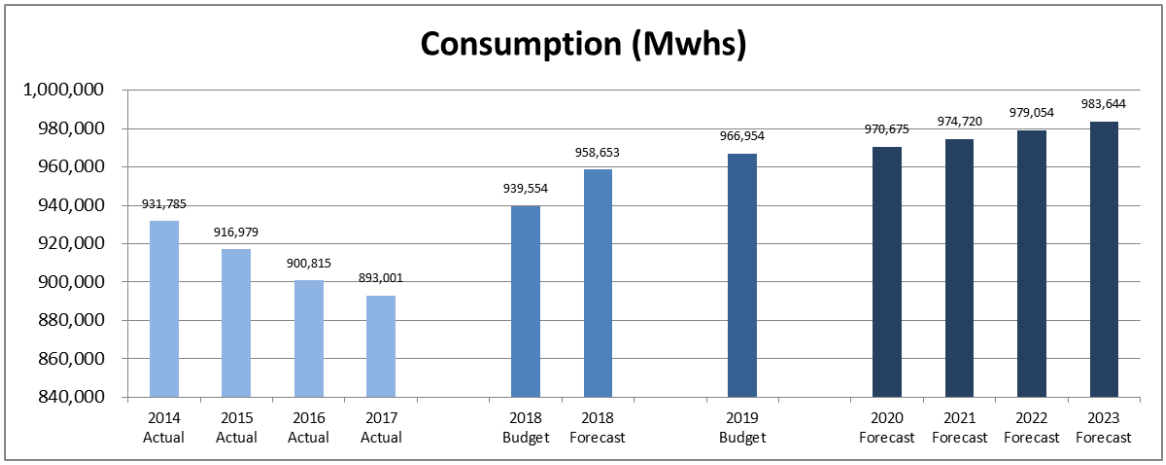
Brantford Power Inc.
2019 Budget & Multi-Year Forecast
Analysis of Distribution Revenues ($1,000)

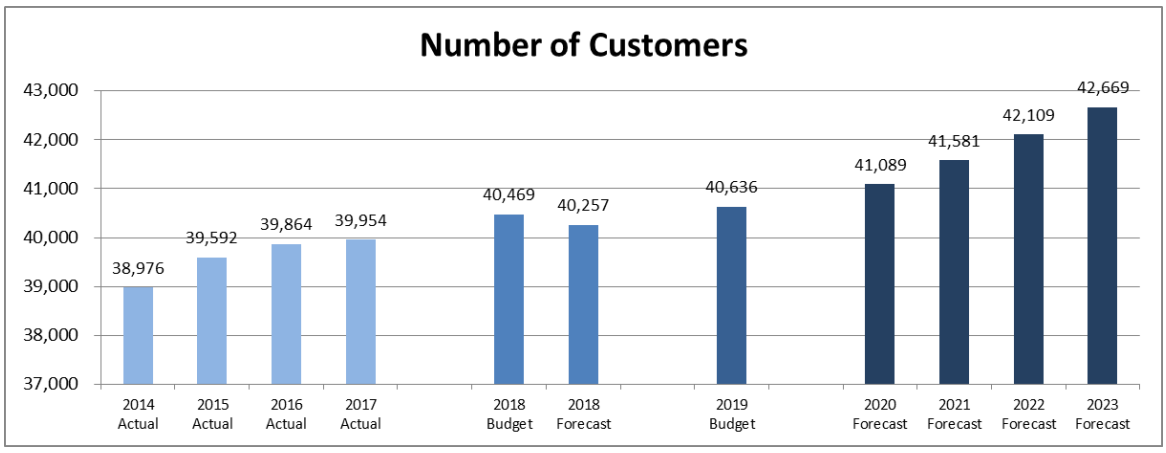
Component	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Base distribution Revenues	$16,873	17,499	17,631	**17,833**
Current LRAM adjustments	966	Nil	(225)	**Nil**
Total	**$17,839**	**17,499**	**17,407**	**17,833**
% Change	**N/A**	**(1.9%)**	**(2.43%)**	**(2.45%)**

For 2019 and beyond, the forecasts will reflect annual IRM inflation adjustments.



The 2019 Budget and Multi-Year forecast assumes consumption levels, which are based on an internally developed load forecasts taking into account an average year and expected conservation impacts based on the new Conservation Framework targets.





Refinements made to expected future consumption levels beyond 2019 indicates a relatively stable consumption pattern growing slightly above 0.3% per year with an average annual customer growth approximating 1% per year.

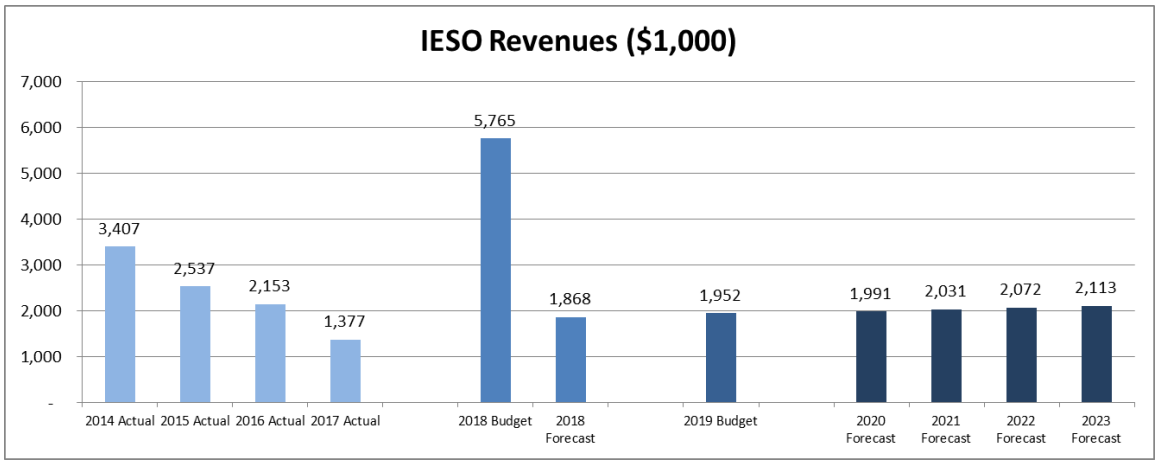
8.1 ANALYSIS – Conservation and Demand Management (CDM)

BPI's 2018 projected results reflect a positive margin of $364,000 representing BPI's Cost Efficiency Incentive under the current CDM framework. As CDM programs are considered non-regulated activities, the value of such incentives accrue fully to the benefit of the business and are not required to be shared with customers.

With respect to the 2018 Budget and forecast years, Management is showing the remaining IESO funding during the remaining years of this five year framework which is

scheduled to end in 2020. A provision reflecting a continuation of the current framework is reflected in 2021-2023 continuing at a break-even level as BPI has no information at this point whether a CDM Framework will be renewed after 2020 and what form such a CDM Framework will take.
BPI is not showing any margin on CDM programs until such time as its eligibility to receive such incentives is confirmed. This is keeping with BPI's existing accounting policy for recognizing such incentives or bonuses.

The Board should note that the fluctuations in past IESO funding levels were largely influenced by the receipt and disbursement of the large cash flows related to specific pass through CDM incentives obtained for BPI customers.



8.4 ANALYSIS – Other Revenues

The OEB has proposed the retirement of the Collection of Account Charge. Although BPI's 2017 Cost of Service decision earmarked a total of $440,000 in related offset revenues, recent trending indicates BPI's actual collection of this charge was lower so the exposure is not as large.

In addition, the OEB is proposing that LDCs limit the use of certain other Specific Service Charges further eroding the base of offset revenues. Although the EDA has advocated for variance accounts, recent OEB approaches has been to automatically create variance accounts when the LDC is better off but expect the LDCs absorb any financial impacts that result in a favourable customer outcome.

Nevertheless, the lost of this source of revenue without offset further erodes BPI's ability to recover its true cost. BPI's budgeted 2019 revenues from Specific Service Charges are forecasted to be $161,000 lower than what was achieved in 2017. BPI will be in a position to address this reduction in 2022 at the time of the next rebasing.

Although BPI could request a variance account in the interim, given the OEB's expectation above, this is not expected to be successful unless the amounts become material. Although not sufficient to offset this full amount, BPI expects to reflect increased pole rental recoveries due to an increased volume of attachment permits issued to Bell Canada for its Brantford fibre optics to the home expansion project.

8.5 ANALYSIS – OM&A Costs

As previously reported to the Board, the Renewed Regulatory Framework for Electricity Distributors introduced a number of years ago has significantly changed the approach of the OEB and intervenors when testing proposed costs of service. The process is much more focused on demonstrating the appropriateness of the quantum of the spending envelope considering actual inflation and productivity performance in the industry aligned with the priorities and expectations of customers.

This changed approach has resulted in a much more aggressive posture in Cost of Service Proceedings with recent experience resulting in significant cut backs to proposed OM&A envelopes. Industry information seems to indicate those LDCs who proceeded to an actual hearing on this envelope did not improve their outcomes.

In fact, recent OEB decisions have gone to some length explaining that the input costs must be in keeping with inflation and Shareholders should pursue efficiencies at their cost and reap any productivity savings until the next rebasing in lieu of simply passing on all cost increases to Customers to maintain profitability.

In this regard, BPI's proposed Budget and Multi-Year Forecasts has focused on limiting the increase in permanent cost. Where possible, new staffing requirements have been funded by the redeployment of existing vacant resources to priority areas. The primary changes in total costs are expected to be attributable to the one time transition costs on major projects such as CIS, Cybersecurity and new building related costs. The goal is to remove any transitional costs related to the completion of the renewal agenda from the cost of service by the time of the next rebasing is completed in 2022 thereby stabilizing to the expected "new normal" spending levels.

Unfortunately, concurrently the LDC is obligated to incur new costs to meet licence obligations. For example, the development and ongoing costs to comply with the cyber security costs or new costs related to monitoring an automated distribution network may not be totally offset by other productivity savings.

Temporary increases in FTEs continue to be reflected to provide back filling and project resources for the completion of CIS and other major renewal initiatives. Redeployments initiated in 2018, e.g. Communications Specialist, Human Resources Coordinator and Corporate Controller will be annualized in the 2019 Budget.

With respect to succession planning, BPI has multiple senior level employees eligible to retire in 2019 including three of the leaders in the operations department. Management has initiated recruiting in 2018 for lineman and apprentices to ensure the succession funnel has individuals being developed as new recruits will require a period of years to be fully experienced on BPI's distribution system. As the eligible employees have yet to declare actual retirement plans, Management has provided for overlap to bring on board new resources in time to result in an orderly transition of expertise.
In addition, the budget provides for the addition of a new Management role in the Operations Department to prepare for the near term expected retirement of the long serving Manager of Operations and a number of Forepersons. In addition despite BPI's strong safety record and ZeroQuest accomplishments, the budget provides for additional funding to ensure BPI can devote additional attention and oversight to its Health and Safety Program.

Labour costs are reflecting the planned annual increases in the collective agreements none of which will expire in 2019. As BPI's competitive position in certain classifications has deteriorated, Management has not reflected any additional provisions in 2020 and beyond to address this competitive issue. Management will review the market circumstances during 2019 to determine if market adjustment provisions will be required in 2020 and beyond

Other cost increases are generally provided in the budget on the basis of "more likely than not" likelihood of occurrence. It is important to note that not all costs are funded in the base distribution rates. In some cases there are exclusions, in other cases the rates fund costs on a smoothed basis even though costs may be incurred in a lumpy pattern:

- BEC Management fees charged to BPI are not funded from ratepayers. With the transfer of the President and CEO planned for 2019, BPI is differentiating shared service fees charged to by BEC to BPI to ensure future rate recovery is maintained;
- The 2017 Cost of Service application costs are amortized and funded over the five year period regardless of the year in which they are actually expensed. As BPI will be filing an ICM application in 2020 for 2021 rates, there is no incremental funding for this additional regulatory proceeding during the interim IRM years;
- One time and new ongoing Cyber Security costs are currently unfunded until BPI's next rate rebasing scheduled for 2022 when on-going Cyber Security costs are expected to be included in BPI's funded cost of service;

As a result any unfunded costs will need to be absorbed in the returns.

The challenge for SLT and the other BPI leaders is to ensure the 2019 Budget balances the need to ensure the Company can achieve an adequate return to maintain a strong financial position while being able to absorb the above noted funding timing difference and still maintain the ability to deliver the Company work plan and the expected service levels for Customers.

8.6 ANALYSIS – Labour Costs

There are number of issues that impacts the future labour costs for BPI. Among the most significant are the following:

- Provisions have been made in the budget for CUPE, Association and IBEW increases reflecting the terms of the existing collective agreements. Provisions have also been made for the variable pay elements for the eligible Expanded Leadership Team members which was initiated in 2018;
- The need to bring on temporary staffing as back fill to major implementation projects e.g. CIS;
- The need to increase temporary staffing levels to deal with the succession planning for upcoming retirements;
- The growing cost of statutory and non-statutory employee benefits;
- Removal of the CEO direct costs to be replaced with additional shared service fees from BEC resulting from the planned transfer of the CEO to BEC.

The budget has balanced these various cost realities as the financial plan was developed for 2019 and beyond.

The chart demonstrates no significant growth in overall staffing, other than temporary roles required for Operations related to succession planning overlaps. Where new requirements are identified, they are to the extent possible achieved by repurposing existing roles.

Brantford Power Inc.
2019 Budget
Draft Proposed Staffing Complement

Department	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Senior Leadership Team	5.0	5.1	4.6	3.5
Corporate Services	2.0	2.5	2.0	3.7
Customer Service	14.5	17.4	18.3	17.4
Engineering	4.4	5.0	4.9	5.8
Finance	4.0	4.0	4.9	6.0
Operations	17.3	17.5	18.4	23.1
Regulatory	3.6	4.0	3.3	3.0.
Communications	.7	1.0	0.9	1.0
Scada, DG & Metering	5.	5.0	4.4	4.3
CDM	2.7	2.7	2.1	1.7
Total	**59.2**	**64.1**	**63.8**	**69.4**

Department	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Full Time	**57.8**	**61.5**	**62.4**	**67.3**
Part Time	**1.4**	**2.6**	**1.4**	**2.1**
Total	**59.2**	**64.1**	**63.8**	**69.4**

8.7 ANALYSIS – Service Level Agreement (SLA)

The current BPI SLA arrangement with the City of Brantford was updated on January 1, 2017 to reflect the transfer of certain responsibilities from the City of Brantford to Brantford Power Inc. largely due to BPI's implementation of the new Financial Information System. In addition, the budget reflects provisions for the BEC Group Shared Services based on the nature and costs of such services in keeping with the transfer pricing obligations BPI is required to adhere to pursuant to the Affiliate Relationships Code. Such budget provisions will be based on expected levels of support and services provided.

As BPI plans the acquisition of new facilities in late 2019 and occupancy in 2021, it is expected each of the Companies in the group will be impacted to some degree by their respective shares of one time, transitional, overlapping and ongoing support and overhead costs related to this initiative. As these have yet to be determined, "place holder" provisions have been reflected in the applicable years until the end state costs are known with certainty.

In addition, as the new facility will involve the transition to shared services with Energy+ in inventory management, vehicle fueling and fleet repairs – provisions for those costs and related recoveries will need to be reflected beginning in 2021. As these have yet to be determined, the 2019 Budget and Multi-Year Forecasts reflect the current trending of costs. Future shared service efficiencies will improve the forecasted results.

As the nature of effort to deliver this project along with the other BPI focused strategic projects are expected to be the greatest in 2019, the impact of such focused activities in BPI results in BPI absorbing a higher proportion of BEC Group shared executive and back office service costs than a typical year commensurate with the time invested by BPI staff and leaders on these projects.

8.8 ANALYSIS – Information Systems Projects

The Board will recall that the original system integration report identified a number of information systems projects that BPI should consider to achieve the necessary renewal to its IT infrastructure. As a result, the 2019 Budget and Multi-Year forecast reflects the anticipated costs for these initiatives as indicated below:

- Update to Financial Information System (FIS) – in addition to ongoing support and hosting fees to maintain this system, BPI must migrate to a more recent version of the software in 2019 to retain access to software support;

- CIS forecasted to be operational by early 2019;
- Appropriate budgetary provisions (capital and operating) will be provided in each year to fund the remaining yet to be scheduled projects.

Where firm costs are not yet known, Management will utilize the best information available to establish these budgetary provisions.

8.9 ANALYSIS – Consolidated Facilities

As this project is the largest material project BPI will encounter, the timing and costing has a significant impact on the business. As outlined in the previous section, the final impact of the project ultimately selected will have a significant impact on the 2019 Budget and subsequent forecast years.

Under the selected Savanah Oaks alternative, the expected closing of that transaction in in late Q4 2019 will have the following immediate impacts to BPI:

- Borrowing of $16.5 million in 2019 to enable BPI to close the acquisition transaction for this facility and begin the construction and refurbishment of these facilities;
- Following the closing date, BPI will incur the financing costs as well as the operating costs for heating, lighting, grass cutting, snow plowing, property taxes etc. for the remainder of 2019 and 2020 without any revenue adjustments. Rentals from the tenants are not expected to be in place until 2021. Should the closing be required sooner, BPI will need to absorb greater operating costs in 2019 without any offsetting funding. Any scenario involving an earlier closing date is expected to challenge the business in delivering the targeted level of Net Income.

As a result, the Budget reflects the achievement of additional distribution revenues in 2021 resulting from the Incremental Capital Module application filed in 2019. Dollar values for this project have been updated to reflect revised current pricing estimates received from BPI's advisors.

The budget is reflecting the current expected values for the transaction and will estimate appropriate OM&A costs for the new facilities. This is another cost area where overlap costs can be expected given the existing facilities will continue to be occupied after the construction of the new facilities while they are being readied for occupancy.

This project will have a pervasive impact on most of the operating budget lines as outlined below:

- **Distributions Revenues** – will increase in 2021 by the amount of the Incremental Capital Module (ICM) approved by the OEB representing a "partial rebasing" of this major investment. The residual amounts not funded in this interim measure are expected to be included in rate base in 2022 with the regular Cost of Service

application. It is important to note, any shortfalls during this interim period along with any increases in OM&A attributable to the new facilities will not be recoverable until 2022.

The ultimate funding of the Cost of Capital after full rebasing will reflect the actual debt rates obtained plus the posted return on equity applied to the total capital costs using the deemed 60/40 capital structure.

- **Interest Revenues** – are expected to decline as a portion of the current surplus cash is expected to be utilized in this transaction. The financing plan associated with this transaction is expected to recapitalize BPI's Balance Sheet to more closely align with the current metrics used to established distribution rates with respect to working capital levels and capital structure.

- **Other Income –** reflects rent from Brantford Hydro Inc. beginning on January 1. 2020 and Energy+ beginning in on January 1, 2021 after the construction of the new garage, yard and other operational amenities. As an affiliate, the rent established for BHI will need to comply with the Affiliate Relationships Code where the higher of market or fully absorbed cost is required. Similarly, the rent for the yet to be determined tenant is forecasted to also begin on January 1, 2021.

  In Energy+'s Case, the capital cost for their exclusive portion and an allocation of shared or common elements of the facilities will not be included in rate base. The rent charged will be the source of recovery for the capital cost of this element including the return to BPI or the financing costs to the lenders. This rent will not offset the distribution revenues and any profits from this venture will not form part of the regulated return.

  It is important to note, that under the new IFRS Leasing Standards, rent in the traditional sense is not reported. All leases are to be reported as financial leases. In BPI's case, the accounting for leases reflect a long term receivable from the tenants as long term loans. BPI will recognize annual interest income from these payments and record the pay down of this long term loan by the tenant. As a result, BPI will show the highest income in the early years of the lease as the payments are amortized against the outstanding receivables.

  OM&A – The new facility will also impact a number of elements of OM&A as follows:

  - Prior to occupancy, any operating and maintenance costs e.g. utilities, property taxes, insurance etc. will be incurred while existing rents and operating costs are incurred in BPI's existing three locations. It is expected these costs will begin to impact BPI during late 2019 once BPI takes possession of the facilities. The elimination of existing facility costs would likely occur in late 2020 depending on when BPI provides the City with its six month lease termination notice.

- With the plan to establish a joint stockroom and vehicle fueling and maintenance garage with Energy+, some transition costs will be incurred while the new facilities are commissioned. The impact of inventory optimization will be accomplished as current inventories are utilized. Ongoing operational costs of these joint facilities will begin once these functions are operational and will be shared between Energy+ and BPI in keeping with the service agreements established for this purpose. The Budget has continued the current costs in these areas pending further analyses of the magnitude of shared service savings.

- **Financing Costs** – As the Financial Plan anticipates borrowing all or a significant amount of the capital costs up to $25,000,000, the financing costs will impact as follows:

  - Interest costs incurred during construction will be capitalized into the facility costs until operational in keeping with the OEB and IFRS rules for such treatment.

  - During the capitalization and ongoing periods, financing costs will be reflected in two components. The portion of the building that will be in rate base will be allocated a portion of the financing costs attributable to that portion of the building. The interest costs related to the Energy+ component will be assigned to the rental business unit and will not be recoverable from customers.

  It is important to note that based on the current conservative forecast, the addition of $25,000,000 in new debt increases BPI's debt component of its capital structure to 55.9% in 2020 still below the 57.0% targeted debt level established in the Board's capital structure policy and leaves 4.1% notional debt capacity contingency room before BPI would hit the OEB's targeted level of 60%.

  This level of new borrowing is in keeping with the overall financing strategy established a number of years ago when external borrowings were suspended after 2012 to enable BPI to accumulate equity and debt capacity to enable such a material transaction.

- **Amortization** – The amortization of the building and related components will begin after occupancy again with the portion related to Energy+'s share and those attributable to the ratepayers will be calculated separately. Consequently, BPI will only receive compensation for that element of amortization once Energy+ occupies their facilities.

  Any amortization related to the joint services with Energy+ will be allocated to those business units and shared based on the terms pf the shared services agreement. The impact of disposing any existing assets or leasehold improvements in current facilities will be reflected in the year those properties are vacated.

- **PILS** – As the capital cost allowance pool will reflect the addition of new assets across a number of classes, BPI may be able to benefit from increased Capital Cost Allowance in 2019 albeit at the half year amount. With the Federal Government announcement of November 21, 2019 indicating the availability of accelerated Capital Cost Allowance opportunities for investments in buildings and equipment, BPI may be able to take advantage of these new provisions provided the PILS regime accepts these changes.

  These benefits represent timing differences in so far as accelerated CCA claims means lower deductions in the future, however they are expected to produce positive cash flow impacts in the early years. The budget has not reflected this change as BPI is currently in discussions with KPMG to confirm eligibility.

It is clear that the impact of the Consolidated Facility Project affects virtually every line item in the budget. As many of these figures are estimates at this point, Management has reflected in the budget proposal its best estimates based on the preferred location selected.

Given these uncertainties, the 2019 and 2020 budget carry more estimation risk than typical budgets given the significant change being introduced by the material facility project transaction. This risk will reduce following occupancy once the new actual base line expenses are recorded and once the OEB approval for the ICM revenue stream is achieved, expected in Q4 of 2020.

Although additional analysis is required to confirm, given both property options appear to have similar capital costs and borrowing requirements, the 150 Savannah Oaks option has the potential for greater benefits to BPI and its customers given the opportunity for additional rental income, the ability to deliver a building project at a cost to customers that is more in keeping with past industry benchmarks and the potential to begin relocation of activities in 2020.

8.10 ANALYSIS – BEC Implications

The budget for BEC Management fees reflects BPI's share of BEC's operating costs. A full review of all other BEC Group intercompany allocations will be updated and re-calibrated based on current causation drivers. With the transfer of the CEO to BEC, BPI's budget reflects a reduced direct labour cost offset by additional service fees from BEC. In addition, the funding and obligation for post-employment benefits attributable to the CEO will be transferred to BEC.

8.11 ANALYSIS – Long Term Energy Plan

The previous Government released its Long Term Energy Plan (LTEP) on October 26, 2017. Unlike previous LTEPs, this plan provided a number of items with direct or indirect impacts to LDCs. The new Government has yet to announce its approach to the LTEP. Nevertheless, the Government has been focused on reliability & affordability. The recent Economic Update indicated a plan to review pricing for industrial customers.

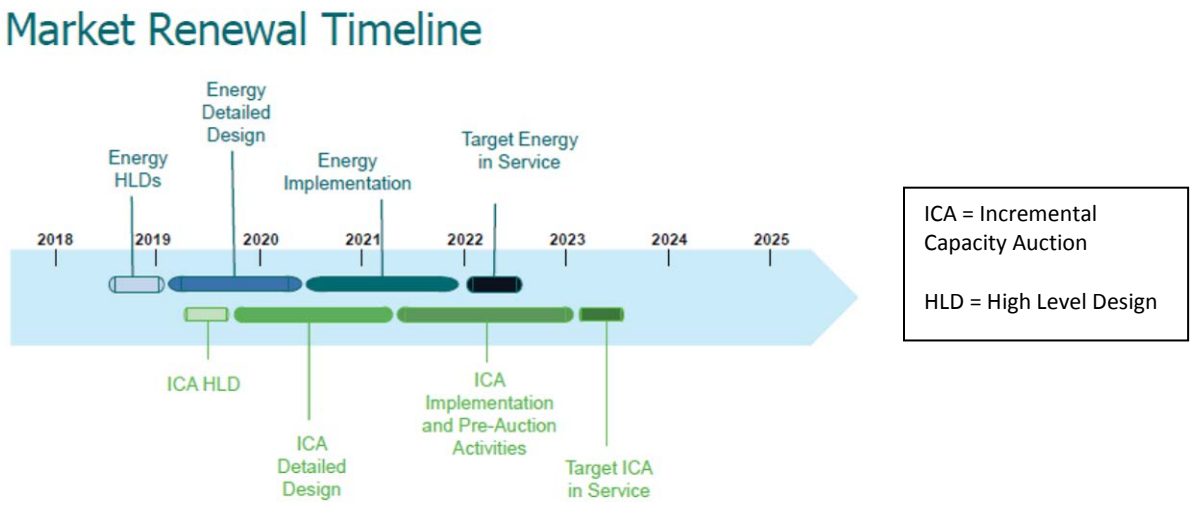
Although specifics and timetables have yet to be established regarding the LTEP or changes the new Government may wish to make to its energy policy, many of these will require changes in existing business processes and may impact investment priorities and resource requirements.

Without further direction, Management's budget proposal continues to focus on investments that are supportive of improved reliability, grid modernization and automation or other customer benefits. Provisions have been made for the Downtown automation project. No additional provisions for LTEP or other changes imposed on the sector have been provided for in the budget proposal.

8.12 ANALYSIS – IESO Market Renewal

The IESO has begun a process to renew the current electricity market. This program includes an ambitious set of initiatives that amounts to a fundamental redesign of Ontario's electricity markets and prepares Ontario for future change. The current market design has been in place since May 2002 when the current market was opened. The IESO believes such reforms are required to allow the IESO to continue to manage the grid reliably and cost effectively.

At this point it is not clear how the operations of the new market will impact the cash flows between local distribution companies and the IESO. Notwithstanding that the new market design is expected to be implemented during the period of the 2019 Budget and Multi-Year Forecast, Management will assume the status quo throughout this time period.



**This graphic is for illustrative purposes only and dates are subject to change*

8.13 ANALYSIS – Conservation

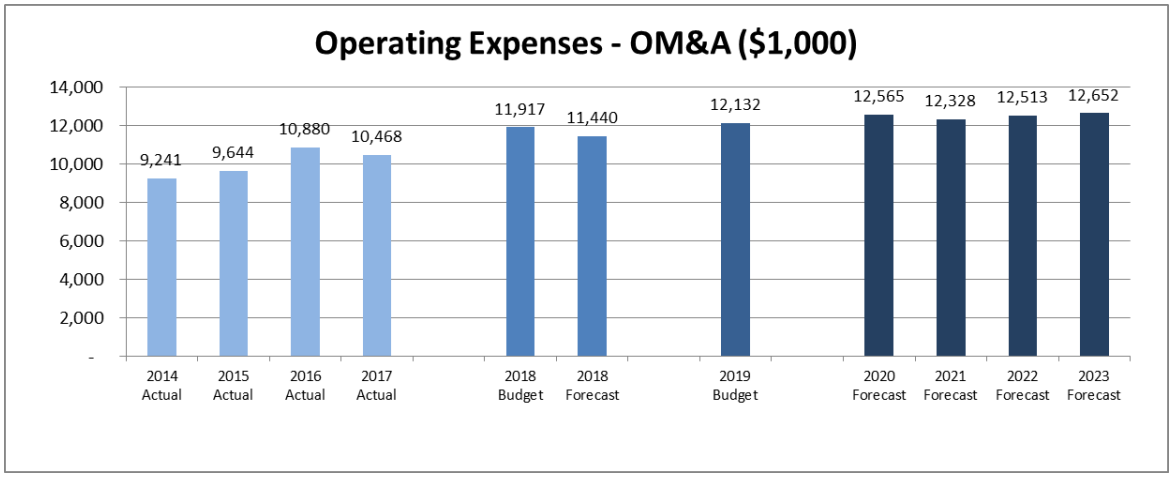
The Government has yet to announce its future plans with respect to conservation. In the meantime, BPI will continue with the expected activities supporting its current Conservation Plan under the existing Conservation Framework. Although not significant, any shared costs supporting CDM activities has been allocated to CDM business units and will not be included in the amounts recovered from distribution customers. In keeping with BPI's accounting policy, no provisions have been made for any incentive payments from the IESO for achieving cost effectiveness or for other performance incentives.

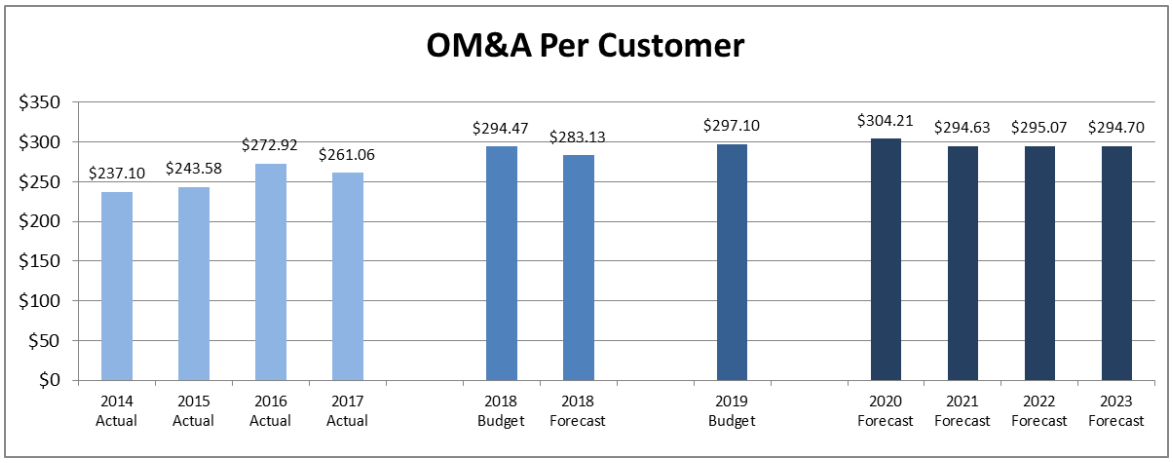
8.14 ANALYSIS – OM&A Summary

As previously outlined in the strategic considerations above, BPI continues to invest in a number of strategic initiatives which impact the overall OM&A envelope in 2019 and beyond. It is expected that with the substantial completion of the current strategic plan by 2019 and related completion of the significant business renewal agenda, the OM&A costs will stabilize as material one time and transitional and overlapping costs drop off allowing BPI to absorb some of the additional costs related to the new facilities and increase the returns to approximate the regulated rate of return.

However, new cost pressures will need to be funded for example, on-going cyber security monitoring costs or additional bad debts resulting from BPI's ability to purse collections at certain times of the year. Given the uncertainty relating to the new facilities, Management has retained conservative cost estimates throughout the four year forecast period to ensure BPI can reflect "an all in" financial scenario.

Once final costs are known for operating the new facilities, cost for employee overlap are removed following actual retirements and shared services efficiencies are identified, Management expects refinements to the 2020 – 2023 OM&A levels. In the meantime, the Multi-Year Forecast is largely keeping constant the OM&A envelope on a per customer basis.





8.15 ANALYSIS – Capital Plan

The proposed capital plan reflects prudent investments including certain priorities outlined in the Distribution System Plan:

- New consolidated facilities at the 150 Savannah Oaks site
- The completion of CIS, upgrade of FIS and other system integration projects
- Priority projects identified from BPI's asset inspection program
- Downtown automation project, expanded from the original plan included in the DSP
- Completion of the Hydro One Idle Line project and consequential upgrades to the Garden Avenue distribution system corridor
- Expected investments for connection of new customers
- Other investments necessary to respond to customer concerns raised during the various customer engagement initiatives.

Over the term of the proposed financial plan containing significant renewal investments including the significant generational investment in new facilities, BPI is attempting to balance the requirement for this renewal with its own financial capacity and the capacity of customers to absorb such investments in future rate increases. Fortunately, through long term financial planning, BPI has prepared its financial position by deferring borrowings and accumulating capital through retaining earnings to enable the business to have the capacity to undertake these initiatives.

The pacing provided for in the capital plan has provided for a sequencing of the capital program reflecting the funding available and resulting customer impacts. Any new non-discretionary obligations not provided for in the DSP or deviations in the planned costs for any priority item may result in modifications to the overall project listing should forecasted capital funding not be available to accommodate the initial listing of projects along with the new requirements.

As part of the budget process, capital plans related to system access have now been established based on a unit times rate. Based on the developers' plans, BPI has estimated the cost of the number of lots to be energized and applied a probability factor based on the recent performance trending. This approach will help BPI analyze future performance variances to determine if they are the result of volume or pricing deviations.

This is a segment of the capital budget that is really beyond the control of Management and in past years has contributed significantly to the overall performance variance against the approved budget. Using this method, BPI will be in a better position to measure performance against target which over time should help to refine the estimation process.

The capital plan reflects an updated investment plan that is directionally consistent with the priorities outlined in the Distribution System Plan but will reflect some differences due to new developments and the need to match and smooth the expenditures with available funding. This will especially be the case in 2019 when BPI incurs the material investment in new facilities without funding adjustments.

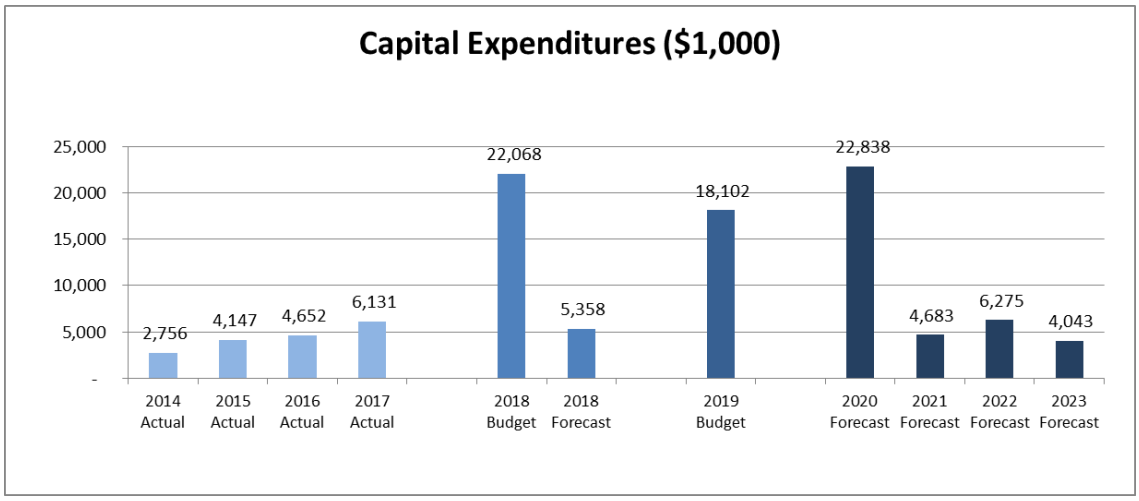
The current capital budget reflects the following planned expenditures:

Brantford Power Inc.

2017-2023 Draft Capital Budget

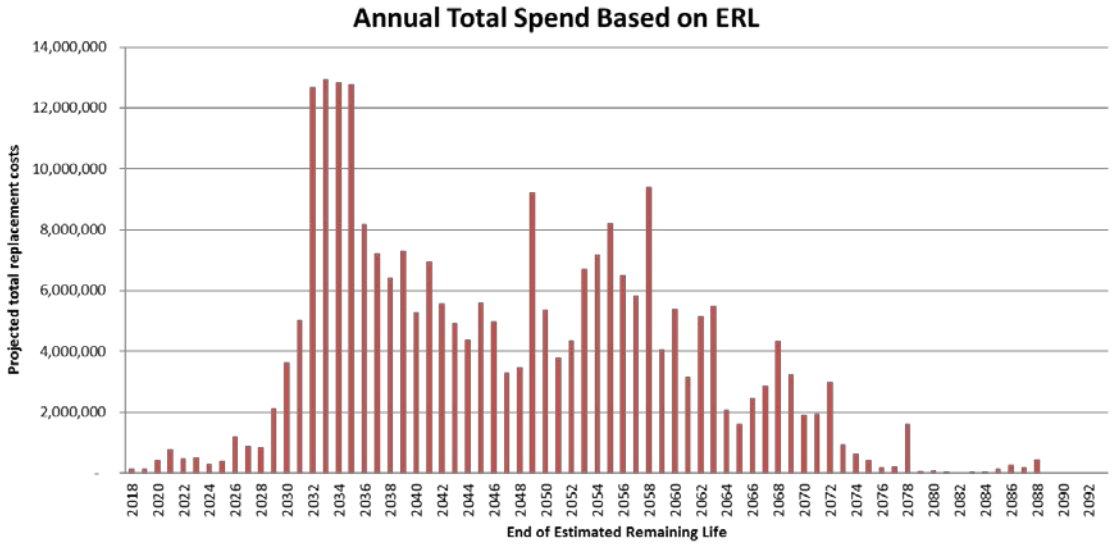
Expenditure	2017 Actuals	2018 Budget	2018 Projected	2019 Budget	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
SYSTEM ACCESS EXPENDITURES	2,487	2,458	2,135	1,919	1,917	2,235	3,562	2,120
SYSTEM RENEWAL EXPENDITURES	1,357	897	1,007	1,440	1,586	1,614	1,582	1,511
SYSTEM SERVICE EXPENDITURES	332	425	319	1,763	590	584	586	588
GENERAL PLANT	2,480	18,911	2,384	13,253	19,098	592	903	221
	6,655	22,692	5,845	18,376	23,192	5,025	6,633	4,440
CAPITAL CONTRIBUTIONS	(524)	(624)	(487)	(274)	(353)	(342)	(358)	(398)
	6,131	**22,068**	**5,358**	**18,102**	**22,838**	**4,683**	**6,275**	**4,043**

Schedule D provides a summary of the specific projects that are earmarked in the 2019 Budget and Multi-Year Forecast. The following graph illustrates the planned capital program.



8.16 ANALYSIS – Longer Term Capital Plan

BPI is currently reviewing its longer term system renewal investments. Using the data from BPI's asset management program, BPI has forecasted significant system renewal investments will be required in the coming years possibly peaking in 2032 and lasting for a period of time. This forecast is based on the estimated remaining lives of assets. The current estimates are illustrative. BPI is continuing to analyze the data and the areas where replacements are anticipated to confirm and validate this initial long term forecast.



Although this is not an immediate matter to deal with as it is outside of the current financial plan, the projected annual forecasts are considered high level illustrations that leads to the general conclusion that BPI will have an extended period in the coming years where an acceleration of system renewal investments will be required as major elements of the distribution system comes to end of life. This reflects the fact that

historically initial investments were not installed in a smooth fashion as facilities were installed in conjunction with periods of economic growth in Brantford and would also reflect the "lumpy" replacement of the distribution assets installed during a multi-year voltage conversion program.

Management will continue to review this data and determine what options exists to ensure such investments are planned to smooth the impact on customers yet occur in a manner that does not result in material degradation in reliability performance.

The point of raising this matter at this time is that following the financing for the new facilities where BPI will approach its targeted debt level, BPI will need to take a long term view on its capital requirements to develop strategies in its future financial planning and future Distribution System Plans to address this in a prudent manner to ensure debt repayments and equity accumulation occur in a manner where BPI will have sufficient on hand capital or debt capacity to embark on this long term system renewal program when it is required.

8.17 ANALYSIS – Financing

The current financing plan assumes borrowing up to $25,000,000 to complete the planned consolidated facility. This financing plan has been in place for a number of years pending this material investment. The objective in the financial plan will be to return BPI to the targeted 57% debt level. With respect to debt levels, BPI continues to pay down it existing Long Term Debt Obligations and has not secured any external debt since 2012.

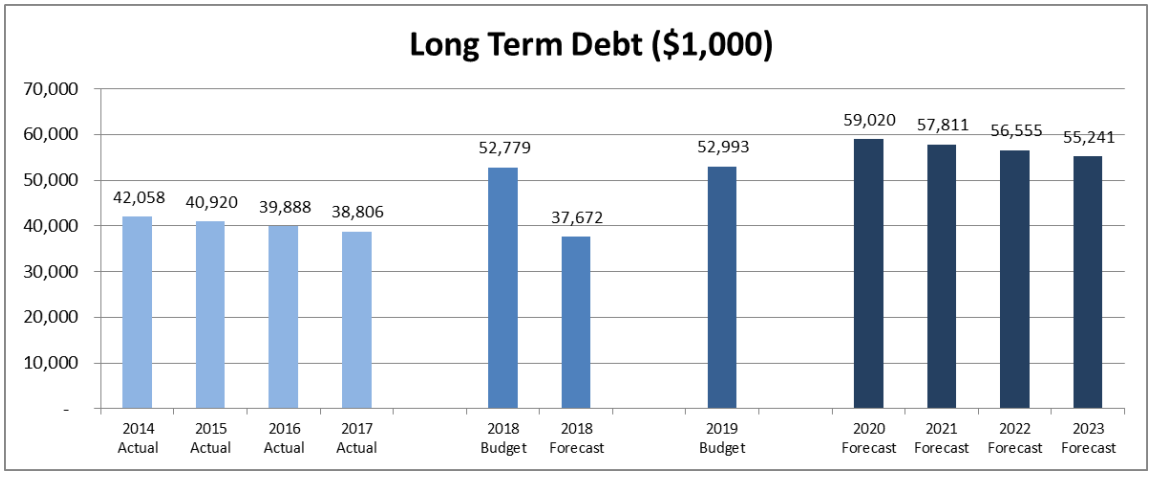
As previously mentioned, the addition of the new debt will result in BPI achieving a 55.9% peak debt level in 2020 after completing the acquisition and refurbishment of new consolidated facilities. This is still below BPI targeted debt level of 57% and the OEB's target of 60%. This unused capacity is available to fund unexpected costs related to the facilities or for other capital priorities.

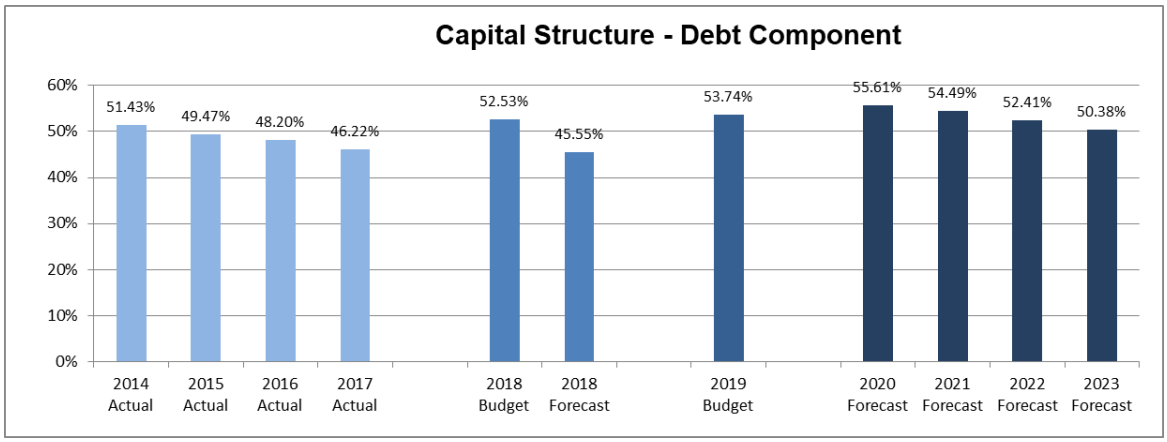
In recent years, through policy announcements, the OEB has reduced the level of working capital customers are paying for by reducing this element of the rate base from the initial level of 15% allowance to 7.5% allowance currently in place. As a result, BPI needs to revisit its level of working capital invested to ensure to the extent possible that excess working capital is not unnecessarily retained. BPI will also need to plan for the increased value of inventory once the Energy+ and Brantford Power Inc. inventories are combined in the new facilities. The 2019 Budget Proposal and Multi-Year Forecast have not reflected any material changes to these historical values.

Once BPI has acquired and commissioned its new consolidated facilities and it has established the new operating cost environment, Management will further refine its working capital and inventory requirements.

The planned investment in facilities will allow BPI the opportunity to recalibrate its capital structure. Among the principles to be considered will be the following:

- The capital structure strategy should be conservative to ensure the BPI can absorb any unanticipated financial setback either from modest reserves or unused established credit capacity;
- The Company's capital structure should be closely aligned over time with the deemed capital structure and working capital allowance used in determining distribution rates otherwise BPI will be constrained in its ability to deliver returns that are in keeping with those expected in the rate case. This would require the financial plan to address and plan for suitable:
    - Cash and working capital levels to ensure to the extent possible that the amounts on hand do not materially exceed the levels funded in distribution rates unless the need for reserves have been identified for future requirements;
    - Strategies to ensure borrowing levels identified as appropriate now do not impede the need to address major future lumpy investments such as the new consolidated facilities or any future level of system renewal investments that the asset management plan identifies outside of the current forecast period;
    - Strategies to ensure the overall capital structure of BPI continue to approximate those established by the OEB by using borrowings and dividends to adjust the debt or equity components as necessary.
- As BPI has not yet finalized the facility plan, the budget will anticipate borrowing $25,000,000. The final terms will be established at the time the financing transaction is closed. In the meantime, the budget will reflect the expected borrowing rates applied to the structure approved by the Board.
- As the Capital Program is implemented, the actual timing and quantum of the financing could change to accommodate changing circumstances. The proposed Budget reflects the following Long Term Debt and Capital Structure.





The financing costs are based on the existing debt portfolio reflecting the current actual rates plus the forecasted rates for new borrowings. The current City promissory note of $24,189,000 was last renewed on February 1, 2016 and will carry the rate of 4.2% until January 31, 2021. Thereafter, the budget has assumed the rate will remain unchanged but will have to be in keeping with the yet to be determined deemed OEB rate in effect at that time for affiliated debt.

The Board should note that the payment of promissory note interest is directly to the City of Brantford while the dividends are paid to the Brantford Energy Corporation, which will need to consider payment to the City.

8.18 ANALYSIS – Dividends

BPI has sustained a $750,000 dividend for a number of years. In this regard, Management anticipates that the dividend level will remain at this level and subsequent forecasted years. Once the full impact of the new facilities are known and the OEB has determined BPI distribution revenue entitlements through the 2021 ICM and 2022 Cost of Service proceedings, BPI will be in a position to review the optimal level of dividends taking into account the long term capital requirements to fund the necessary longer term system renewal investments that are expected in the coming years.

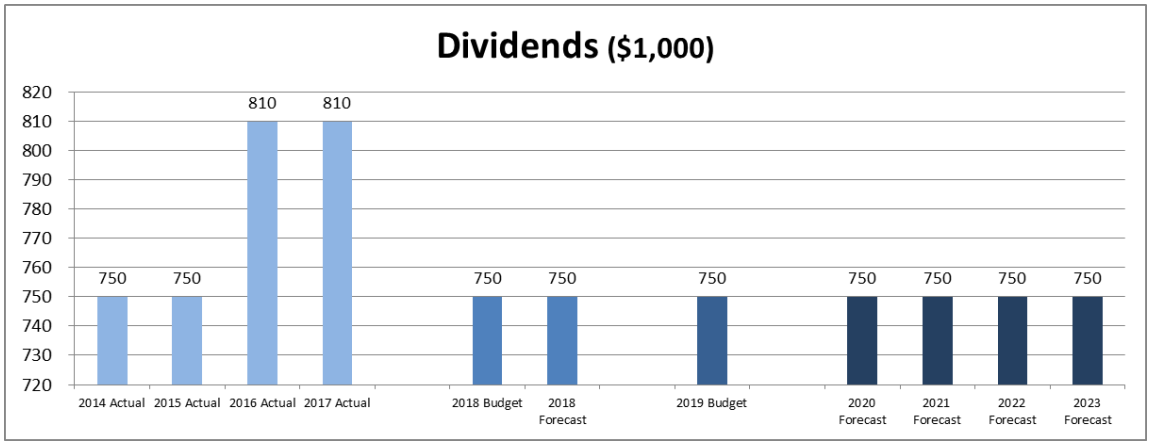
Despite reduced net incomes in 2019 and 2020, the dividend payout ratios are well within industry norms.

Brantford Power Inc.
2019 Budget and Multi-Year Forecast
Summary of Dividends 2017 -2019 ($1,000)

Payments	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Dividends	$810	$750	$750	**$750**
Total Payments	**$810**	**$750**	**$750**	**$750**
Prior Year Reported/Projected Net Income	$3,096	$1,443	$1,919	**$1,213**
Total Dividend Payout % (Note 1)	26.2%	52.0%	39.1%	**61.8%**

Note 1: *Dividend payout ratio is based on the current year payout divided over the prior year's earnings. Many LDC's have specified dividend payout ratio from 50%-60%. Dividends at levels higher than these typical levels can be used to recalibrate the equity portion of the Company's Capital Structure.*

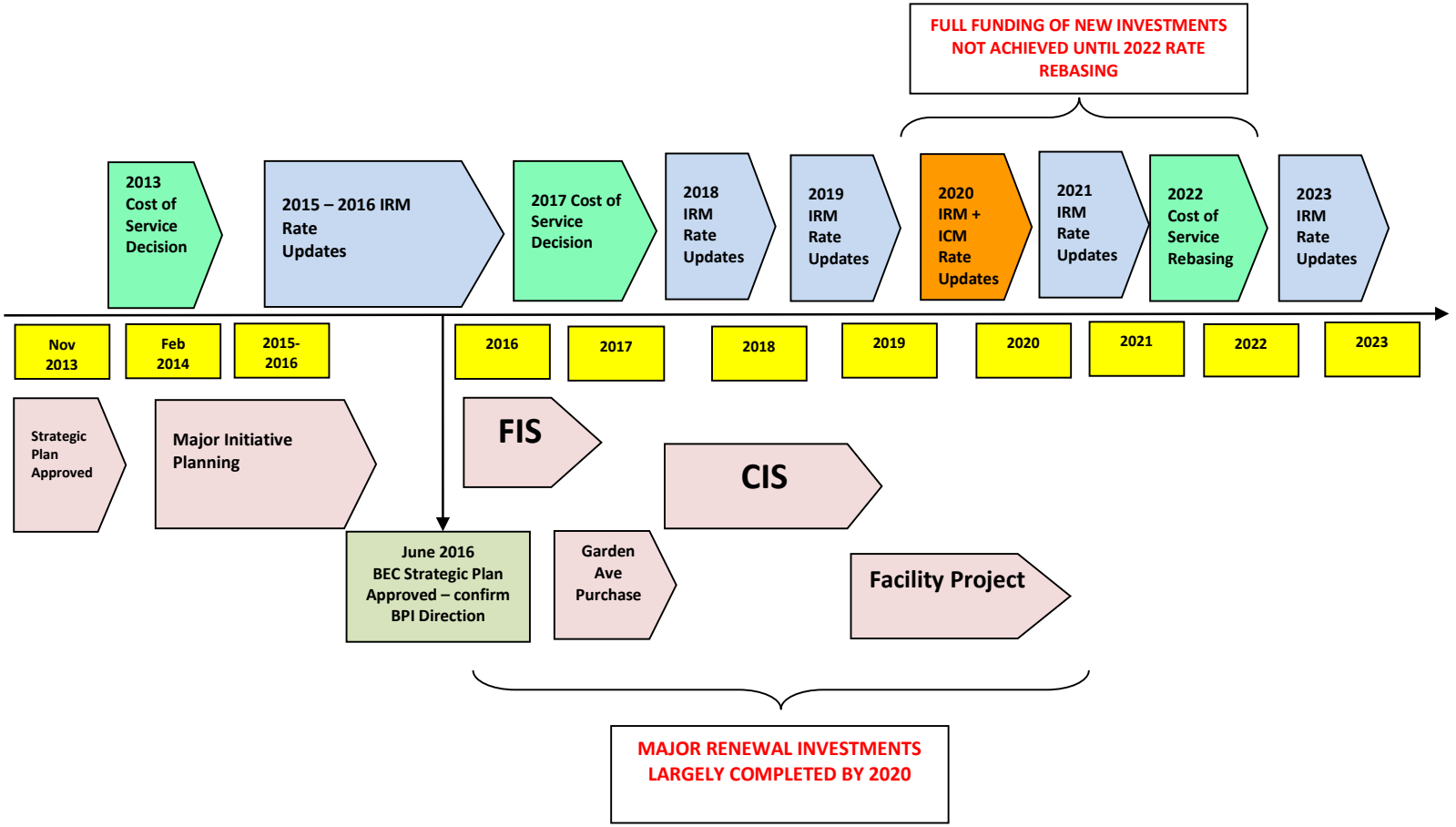
BPI's dividend record and forecast has been summarized below:



9.0 FINANCIAL IMPLICATIONS

The following graphic provides an updated visual perspective of the financial fundamentals that are impacting the financial performance of BPI in the immediate term. The major change from the similar graphic presented in 2018 was the delay of the facility project and related financing to 2019 and resulting delays in ICM revenue adjustments to 2021 – resulting in a constrained 2019 where new costs related to the facilities will be introduced without any new incremental funding.

BRANTFORD POWER INC.
COMPARISON OF INVESTMENT AND RATE FUNDING TIMELINES



Looking back during the years prior to the 2017 Cost of Service rebasing, BPI achieved strong returns as the business updated its strategic plan and began the procurement and approval processes necessary to embark on the renewal agenda prescribed by the Strategic Plan. During that time, the business achieved operating savings through attrition primarily in the management ranks combined with a few one-time initiatives such as CDM incentives and one time PILS recoveries.

By 2017 when BPI rebased its rates, the OM&A and Capital envelopes largely focused on current operations plus a smoothed phase in of Systems Integration Investments. The approved funding envelope did not provide anything towards the consolidation of operations into a single facility. As the prospect of BPI achieving actual building occupancy in 2017 was not possible, it was not appropriate or reasonable to expect such funding to be advanced by the OEB on speculation. That is why the use of the ICM tool is the earliest mechanism available to address this funding requirement.

As 2018 to 2020 reflects further years of investments in strategic initiatives such as CIS and the new facilities, the current funding envelope does not fully provide for the higher level of investment. With a partial rebasing anticipated in 2021 through the Incremental Capital Module (ICM) process, combined with the reduction of OM&A related to the removal of one time project costs, the financial performance is forecasted to improve somewhat after 2020 subject to the actual end state operating costs for the new facilities and the actual timing and level of rent recovery achieved, especially related to the requirement for a third tenant at the 150 Savannah Oaks alternative. It is not until 2022 with the next Cost of Service rebasing that the funding level will totally align with the actual cost of service incurred by BPI at that time.

Should efficiencies materialize following CIS and the new building, these benefits will accrue to the business until 2022 when such savings will be returned to the customer.

As a result of these realities, the following conclusions can be made regarding the 2019 Budget and Multi-Year Forecast:

- As BPI embarks on its facility project, the financing of this material investment will simultaneously reduce working capital levels including surplus cash and recapitalize the Balance Sheet to be closer to the 57% debt level guideline approved by the Board of Directors and the 60/40 deemed capital structure levels established by the OEB.

  This outcome is consistent with the long term financial plan where borrowings were suspended after 2012 and strong earnings were retained to provide the capacity to fund the significant investments required for the various renewal initiatives including new facilities. Notwithstanding this material increase in total debt, the addition of $25,000,000 in new debt moves BPI total debt level to a level still below the Board approved capital structure policy.

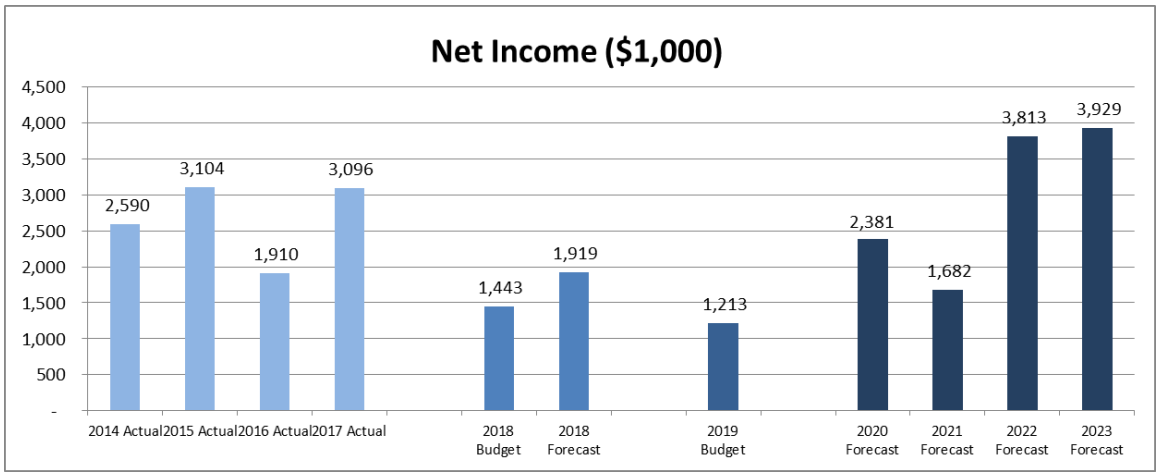
  Although the investment in new facilities represents a generational material investment in the life of the Company, BPI is intentionally financially well positioned to afford such an investment.

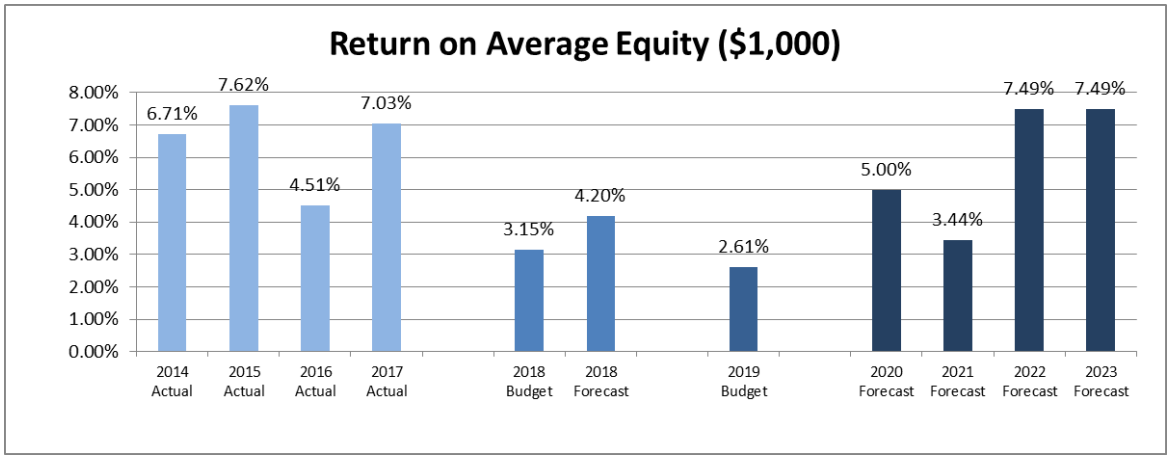
The tighter returns anticipated in 2019 and 2020 related to the challenges outlined in this report are expected to be relatively short term largely due to the timing difference between when the additional costs are incurred and the time that rate recovery can be achieved.

- As investments are made, BPI will need to absorb overlapping OM&A costs as the old CIS and facilities continue to operate while their replacements are implemented. In addition to overlapping costs, the financial returns will be impacted by the need for back fill resources and other one-time supports that are not able to be capitalized as part of the capital projects.
- BPI must also provide for staffing overlap in the operations department to address proactively succession planning of operations staff as peak retirement eligibility is expected in 2019. As BPI cannot with certainty confirm retirement dates, the FTE levels continue to include some overlapping resources through 2023. Should retirements be greater than reflected, the OM&A costs could be lower;
- BPI will need to initiate some costs as it introduces unfunded cybersecurity measures in order to comply with the OEB's framework;
- Despite thorough planning and due diligence, budget provisions for these strategic initiatives contain many uncertainties and Management has provided some contingency room for unanticipated costs. Nevertheless, despite best efforts, it is not possible to predict with certainty if such provisions will be necessary at all or be sufficient to deal with unexpected circumstances. Variance to such estimates will impact future reported earnings accordingly.

As BPI approaches the end of its current Strategic Plan, the convergence of a number of strategic initiatives during 2019 is adding some current year financial pressure to the business. BPI is providing some temporary overlapping staffing to complete major planned CIS replacement while at the same time investing in resources to address imminent succession planning risks and its cybersecurity obligations. At the same time, it is ready to proceed with its consolidated facility objective which in addition to the new capital investment will result in one time transition costs and overlapping facility costs.

Since many of these initiatives have yet to be funded in distribution rates, current year returns continue to experience downward pressures. However, it is expected that by 2021 when transitional costs and overlapping costs have ended, BPI will be in good position to proceed with rate rebasing in 2022 with a clear view of its ongoing costs of service leading to achieving expected stable returns thereafter allowing BPI to proceed with grid modernization and automation and other business priorities identified in BPI's next strategic plan. Consequently, Management is anticipating a 2019 Net Income of $1,213,339 that translates to a return of 2.61%, below the 8.78% targeted ROE.





Notwithstanding the above, the targeted return for 2019 provides a base to maintain a strong financial position while setting the stage for improving returns later in the Financial Plan when transitional investments have been completed and the additional revenues from the ICM application and future rebasing are reflected in BPI's financial performance.

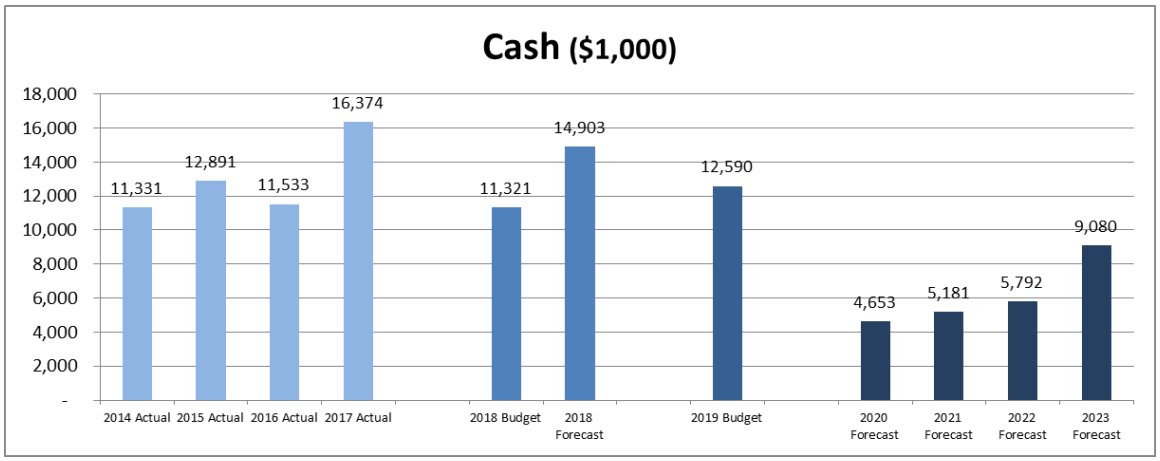
Despite some new financing for the consolidated facilities, cash levels are expected to be lower than recent history. As cost and revenue certainty become clearer after 2020, Management expects further reductions in cash and working capital to more closely align with the working capital levels provided for in the determination of return used to calculate distribution rates.

Cash levels will fall to $4.6 million in 2020. It is important to put this relatively low value by historical standards into perspective:

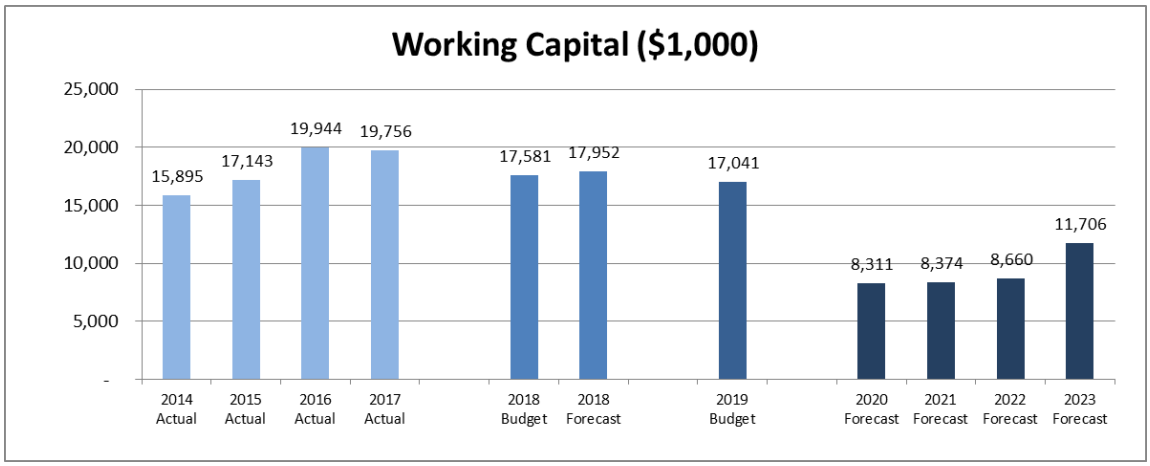
- BPI has a $7,000,000 operating line of credit that is available;
- Despite the new borrowings of $25,000,000, BPI has yet to achieve the maximum leverage amounts. BPI could borrow to fund capital expenditures and

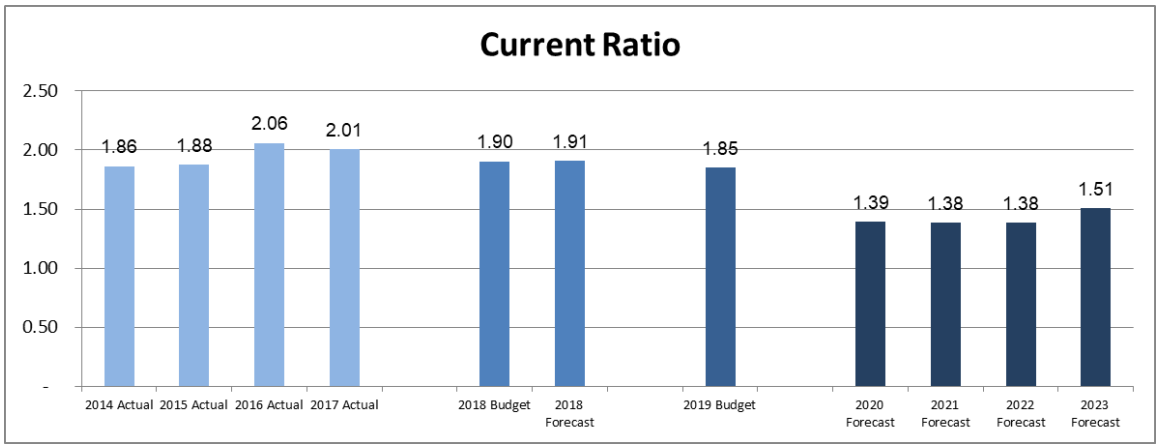
retain working capital. In order to be conservative, BPI has not forecasted any further borrowings during the forecast years after the facility project is completed;

- Under the Savannah Oaks option, the Garden Avenue is likely surplus. As the market value of that land continues to increase, BPI has the option to monetize this asset by disposing of it and returning it to cash. The purchase price was $1.6 million. As the financial plan does not indicate this will be required, the Board can determine the optimal time to dispose in due course.



The Company's working capital levels remain strong despite the significant reduction in the cash component. Even during the period before full rebasing, the current forecasts indicate a current ratio that does not fall below 1.4 times over the next five years and beginning to trend towards BPI's traditional levels after a successful rebasing in 2022.





In reviewing the Company's compliance with RBC and OILC debt covenants, the current forecast indicates that BPI is on side in every year. Before committing to new financing, BPI will ensure the Financial Plan will allow BPI to also comply with any new covenants imposed on it.

Given the material uncertainties, Management has been very careful to fully test BPI's ability to prudently move forward with this plan. As a result, BPI's financial plan was prepared on a very conservative basis as highlighted below:

- A portion of the staffing overlap has been retained to 2023 in the event retirements don't materialize as expected;
- Regarding 150 Savannah Oaks:
    - No deferral of significant Roofing and HVAC replacements i.e. these are paid for with initial acquisition and refurbishment
    - Delayed ICM application to 2020 and reduced ICM funding in 2021 as a result;
    - No recognition of yet to be determined OM&A synergies with E+ joint service arrangements and joint stock management;
    - Rent from third tenant set at $9/sq. ft.
    - No synergies recognized for consolidating operations into a single facility.
    - Offset by the risk that:
        - Surplus Savannah Oaks surplus property sales is delayed or anticipated pricing is not achieved;
        - A suitable third tenant is not found.
- No recognition of capital recovery and possible gain on the sale of Garden Avenue Property

10.0 CONCLUSION

This report has provided the Board with an overview of the major budgetary issues and assumptions currently being addressed by the business and how the 2019 Budget and Multi-Year Forecast have addressed them. As BPI approaches the end of the current IRM cycle, unfunded costs related to completing BPI's strategic renewal initiatives, expenses related to addressing succession planning of critical resources, planning and executing the major acquisition of facilities as well as the requirement to absorb unfunded compliance initiatives e.g. cyber security is coalescing in a focused period of time putting short term pressures on expected returns.

Nevertheless the strong financial position of Brantford Power resulting from its multi-year strategy of creating debt capacity and banking strong annual returns in anticipation of the time when BPI needed to undertake such investments, has placed BPI in an ideal position to proceed with the completion of these projects while maintaining a strong financial position just in time for the next Cost of Service rebasing in 2022.

At that time, BPI is expected to set its new base revenue levels for a substantially renewed LDC that continues to provide value to the customers and shareholder.

Submitted by,
Brian D'Amboise,
CFO & VP Corporate Services

ATTACHMENTS:

PROFORMA FINANCIALS
2019 BUDGET, 2020-2023 FORECAST
NEW FACILITY - SAVANNAH OAKS BEST CASE SCENARIO

BALANCE SHEET		INCOME STATEMENT							RETURN ON INVESTMENT						
			2019	2020	2021	2022	2023	Total	2019	2020	2021	2022	2023	5 Year ROI	Avg Annual ROI
REGULATED															
Rate Base		**BPI customers**													
Land & Building - Exclusive	3,633,802	ICM Revenue			520,909			520,909.36							
Land & Building - Common (Shared)	1,237,151	Distribution Revenue				1,609,732	1,625,829	3,235,561.32							
Mechanics Bay / Warehouse / Outdoor Yard (Shared)	7,922,489	Operating Costs	(225,000)	(896,440)	(541,457)	(552,286)	(563,332)	(2,778,514)							
Office Furniture	473,000	Interest expense	-	-	(575,076)	(562,083)	(548,483)	(1,685,642)							
	13,266,441	Net Income (before taxes)	(225,000)	(896,440)	(595,623)	495,363	514,015	(707,686)	-1.7%	-6.8%	-4.5%	3.7%	3.9%	-5.3%	-1.1%
NON-REGULATED															
Energy +		**Energy +**													
Land & Building - Exclusive	1,189,267	Lease Revenue *			494,406	671,975	661,091	1,827,472.00							
Land & Building - Common (Shared)	397,020	Additional Rent		-	132,845	135,502	138,212	406,558.23							
		Operating Costs		-	(132,845)	(135,502)	(138,212)	(406,558.23)							
Mechanics Bay / Warehouse / Outdoor Yard (Shared)	7,922,489	Interest expense	-	-	(184,550)	(180,381)	(176,016)	(540,947.28)							
	9,508,775	Net Income (before taxes)	-	-	309,856	491,594	485,075	1,286,525	0.0%	0.0%	3.3%	5.2%	5.1%	13.5%	2.7%
BHI		**BHI**													
		Lease Revenue *		46,311	69,049	66,839	64,492	246,691							
		Additional Rent		28,560	29,131	29,714	30,308	117,713							
Land & Building - Exclusive	500,237	Operating Costs		(28,560)	(29,131)	(29,714)	(30,308)	(117,713)							
Land & Building - Common (Shared)	87,061	Interest expense	-	-	(40,470)	(39,555)	(38,598)	(118,623)							
	587,298	Net Income (before taxes)	-	46,311	28,579	27,284	25,894	128,068	0.0%	7.9%	4.9%	4.6%	4.4%	21.8%	4.4%
Tenant 3		**Tenant 3**													
		Lease Revenue * / **													
									0.0%	0.0%	-2.6%	-0.4%	-0.4%	-3.5%	-0.7%
Total Non-Regulated	14,933,845	Total Non-Regulated	-	46,311	210,609	499,568	489,729	1,246,217	0%	0%	1%	3%	3%	8%	1.7%
TOTALS															
		ICM/Distribution Revenue	-	-	520,909	1,609,732	1,625,829	3,756,471							
Land & Building - Exclusive	9,443,613	Lease Revenue	-	46,311	769,134	1,045,475	1,022,427	2,883,347							
Land & Building - Common (Shared)	2,438,697	Additional rent	-	28,560	402,043	410,084	418,286	1,258,973							
Mechanics Bay / Warehouse / Outdoor Yard (Shared)	15,844,977	Operating costs	(225,000)	(925,000)	(943,500)	(962,370)	(981,617)	(4,037,487)							
Office Furniture	473,000	Interest expense	-	-	(1,133,601)	(1,107,990)	(1,081,181)	(3,322,772)							
	28,200,287		**(225,000)**	**(850,129)**	**(385,014)**	**994,931**	**1,003,744**	**538,531**	**-0.8%**	**-3.0%**	**-1.4%**	**3.5%**	**3.6%**	**1.9%**	**0.4%**
Gain on sale of Severable Land				1,727,000											
	28,200,287		**(225,000)**	**876,871**	**(385,014)**	**994,931**	**1,003,744**	**538,531**	**-0.8%**	**3.1%**	**-1.4%**	**3.5%**	**3.6%**	**1.9%**	**0.4%**
Net Income before taxes, per Budgeted Statements			1,657,055	3,260,293	2,301,761	5,221,553	5,380,146	17,820,808							
Net Income before taxes, after eliminating building impact			1,882,055	2,383,422	2,686,775	4,226,622	4,376,402	17,282,277							

* Under IFRS 16, this is considered Interest Income & Amortization Recovery

[redacted]

*** Land costs are net of proceeds on saleable land of $1.7M

PROFORMA FINANCIALS
2019 BUDGET, 2020-2023 FORECAST
NEW FACILITY - SAVANNAH OAKS BEST CASE SCENARIO

Colliers Project Leaders

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811038-0100(1.0).docx
Project:	BPI/Garden Ave	Date:	2019-02-13
Period:	Project Status Report – Feb 2019		

1. Summary

This is the update to the special report to the Board on the accommodations strategy, providing further information on the two options being considered: Option A: building a new facility on Garden Ave or Option B: purchasing and renovating the existing facility on Savannah Oaks.

2. Background

As reported previously, the formal RFP process that Brantford Power Inc conducted over the summer of 2018 with input from the City of Brantford and Colliers to procure a Design Builder to construct the new green field operations and administration facility on Garden Ave was unsuccessful. Based upon market conditions none of the pre-qualified vendors were able to deliver the facility within the budget range established by Brantford Power Inc based upon value to the ratepayer and ability to obtain sufficient financing.

Concurrent to this development in the Garden Ave facility, there was renewed interest from the current owner of the Savannah Oaks facility to re-start discussions to sell the property to Brantford Power. Based upon the recommendation of Management and approval from the Board in September 2018, Brantford Power has executed a conditional offer to purchase the Savannah Oaks facility. This decision to intentionally defer proceeding the process for the construction of Garden Ave facility allows for a cooling off period and an additional level of due diligence to the process of finding a new home for Brantford Power.

3. Conditional Offer for 150 Savannah Oaks

As communicated previously Brantford Power has a conditional offer to purchase the property at 150 Savannah Oaks Drive. As of this writing all the conditions have been extended to expire on 2019-02-25.

4. Due Diligence Studies for Savannah Oaks

Brantford Power and Colliers have continued with the due diligence activities on the 150 Savannah Oaks Drive property while continuing to hold on the Garden Ave option.

Brantford Power has undertaken a detailed due diligence approach since the project's inception, for a full chronology of the activities undertaken please see appendix D.

See below for the most recent activities since the 2018-12-19 Board Meeting

Between 2018-12-19 Board Meeting and 2019-01-22 Board retreat

- Approved the completion of the Phase 2 ESA and Geotechnical investigation
- Received preliminary draft of the Class D estimate from Marshall Murray
- Engaged a planner for a preliminary assessment
- Met with city planning staff regarding details of Zoning Bylaw Assessment
- Received guidance from BLG on Electricity Act exemption to zoning by-laws
- Met with the original HVAC/BAS maintenance company
- Initiated a proposal from the HVAC company for services for maintenance, commissioning, and required repair or replacements
- Received the final Development Review notes from the City of Brantford

Since 2019-01-22 Board retreat:

- Received proposals from 3 different planners for the Zoning By-law Amendment
- Completed drilling on site for Environmental and Geotechnical investigations.
- Received preliminary results from Environmental and Geotechnical investigations
- Received quote from Neelands group (Sellers HVAC maintenance company since construction of the building) for ongoing maintenance of facility
- Receive final copies of the topographical survey
- Validated operational costs for facility (see appendix E for detailed 2013-2018 operational costs)
- Prepared sensitivity analysis for not obtaining tenant for surplus ground floor office space
- Reviewed strategy for negotiating changes to the real estate transaction with BPI's broker
- Renewed and updated the letter of agreement with Energy+ to ensure application for both Garden Ave and Savannah Oaks
- Awarded Zoning Bylaw Amendment work to GSP group
- Investigated market conditions and potential lease rate with CBRE

Environmental

As is best practice when purchasing a property, an environmental engineering firm, AECOM, was retained to assess the environmental risk of the property. At the conclusion of the Phase 1 Environmental Site Assessment (ESA) AECOM identified two Areas of Potential Environmental Concern, one for some fill piles on site and the other for potential contamination from a historical spill on an adjacent site.

Based upon this BPI authorized AECOM to proceed with a Phase 2 ESA which involved AECOM and their sub-consultants identifying proposed locations for boreholes and test wells, boring them, and having the groundwater and soil that was removed tested for contamination.

Based upon this procedure, AECOM has confirmed that all of the Groundwater and Soil samples obtained on site met required limits for the proposed development. Note that this is not a guarantee that no future environmental issues will ever be found, but this is the best practice and recommended approach for assessing the environmental risk of a potential purchase.

Municipal Approvals

As stated previously, the zoning for the Savannah Oaks site does not currently allow open storage, and this is a requirement for Brantford Power to occupy this building as we require outdoor storage to operate our business.

To respond to this, we have been proceeding with two methods of obtaining approval to proceed:

1. Proceed with the zoning by-law amendment, and
2. Determine if Brantford Power can make use of an exemption to the local zoning bylaw that is included in the Electricity Act.

Method 1: Zoning By-law Amendment

Following the Board meeting on 2018-12-19, Brantford Power has proceeded with the topographical survey of the entire site as well as retained the services of a planner. The planner has reviewed the details of our case, spoken with city planning, and met with Brantford Power and City Planning to discuss the next steps.

Brantford Power, Colliers, and the Planner all believe that, with some qualifications and restrictions, City staff will be in support of the proposed Zoning Bylaw Amendment to allow Brantford Power to operate on this site.

Since the 2019-01-22 Board retreat Colliers has received proposals from 3 different planners and has authorized GSP & AECOM to proceed with preparing the Zoning Bylaw amendment.

Method 2: Electricity Act Exemption

Brantford Power has retained the services of Borden Ladner Gervais LLP to review this exemption and they have written a letter in support of BPI's use of this exemption, which has been forwarded to the City of Brantford's legal department for review. As of this writing BPI has received a preliminary response from the City of Brantford's legal department on this issue but further work is required.

Regardless of how this progresses, Management and Colliers believes that we should continue with preparing the Zoning Bylaw Amendment application as our intent is to proceed with this process regardless to show impartiality and participation. Our expectation is that if this exemption is validated by the City of Brantford's legal department that this reduces the risk significantly of not being able to operate the business on this site due to zoning issues.

Concept Design Study Cost Validation

At the request of the Board at the 2018-11-28 meeting, Brantford Power has retained the services of Marshall Murray to complete an independent Class D estimate on the conceptual design completed by AECOM to provide additional validation of the costs.

The AECOM estimate was Class D and was considered to be accurate to +/- 25%. The Marshall Murray estimate was within 9% of the AECOM estimate and therefore the estimates are considered to be equivalent.

As the design is still conceptual, Colliers is recommending that Marshall Murray be retained for additional estimates through the design process to provide additional cost validation of the final design.

Current Risks and Mitigations

Below is a summary of the key risks for BPI based upon proceeding with Option B: Savannah Oaks.

Risk	Probability	Impact	Mitigation Strategy
Delayed receipt of Zoning By-Law Amendment greater than 18 months for outdoor storage	Medium	Low	If the Zoning By-law Amendment is not received prior to BPI & E+'s planned occupancy of the site, the approach is to store as much inventory inside the warehouse as possible and identify an offsite location for the poles and other large items that cannot be stored indoors. These locations could include E+'s Cambridge yard, BPI's Transformer sub-station, or another location nearby. BPI could make use of the Electricity Act exemption if required.
Never receiving the Zoning By-law Amendment from the City of Brantford	Low	Medium	Establish long terms plans to store large items off-site. BPI could make use of the Electricity Act exemption if required.
Significant delay (2-5 years) in securing a tenant for the surplus ground floor office space	Medium	Low	Redirect the proceeds of the sale of surplus lands on Savannah Oaks and/or Garden Ave to reduce the impact. Review the marketing strategy and pricing for the space.

Risk	Probability	Impact	Mitigation Strategy
Never securing a tenant for the ground floor office space	Low	Medium	Everything identified in the row item above. BPI's finance department has prepared an analysis of the sensitivity to not being able to secure a tenant for the surplus ground floor office space and has determined that in addition to the initial capital investment potentially being unrecoverable, the ongoing costs that will not be recoverable through the remaining building occupants will be approximately $250,000-$300,000 per year in operational costs.
End of relationship with Energy+	Low	High	Management in regular communication with Energy+ and is process of renewing the letter of agreement. If this occurs, we would review the entire design of the renovation / expansion to limit costs to BPI as much as possible while maintaining a minimum level of operational performance.

5. Next Steps

In the previous report to the Board dated 2019-01-18, Colliers and Management provided two alternatives including the risks and opportunities.

- Alternative A: Request an extension to the conditional period to accommodate the zoning bylaw amendment and
- Alternative B: Waive Conditions prior to Zoning Approval.

Please see Appendix A for the details on the two alternatives.

Based upon the discussion and feedback received from the Board at the retreat, Management understood that the preferred approach was Alternative B and therefore Management proceeded and has prepared the following recommendation:

RECOMMENDATION:

That the Board authorizes Management to negotiate with the seller to waive all conditions within the current offer and also we are seeking to be authorized to request an improvement to the deal by:

- Extending the closing date beyond 2019-04-26 (60 days after 2019-02-25) and
- Requesting a reduction of the purchase price of $11.55 million

Any improvements if realized will be to the benefit of BPI and their ratepayers and will:

- Help mitigate the future cost of replacing the Roof, HVAC, and Building Automation System, and
- Reduce the overlap of the operational costs of operating out of multiple facilities, and
- Mitigate any impact to the 2019 utility business plan.

In order to achieve full occupancy no later than Dec 2020, that the Board authorizes Management to initiate design and the procurement processes for the next phase of the Savannah Oaks project.

6. Appendix A - Alternatives for Proceeding

The content of Appendix A has not been updated since the 2019-01-18 report and is provided here for the Board's convenience.

Below are two alternatives for proceeding with Option B – Savannah Oaks and the impact of each.

Alternative A – Extending Conditional Period

To date we have proceeded cautiously towards Option B – Savannah Oaks, rationalizing expenditures and leaving us the ability to proceed with Option A – Garden Ave.

Based upon the current zoning on the site BPI is prohibited from having open storage and typically this would mean that BPI should wait to receive approval to have open storage on site prior to making further commitments to Option B, including finalizing the Real Estate Transaction.

Based upon the latest discussions with city planning we are expecting a Zoning Bylaw Amendment to take approximately 6-9 months. Following the finalization of the Real Estate Transaction in Q4 2019 we would anticipate the immediate next step would be to publish the Design Build RFP to the market in order to progress with the design and construction of this facility.

This would push out the procurement of the Design Builder and give us a potential occupancy date of mid 2021, approximately 18 months later.

While Alternative A reserves BPI's ability to provide all functions of their operations on one site, it does create additional risks in the following areas:

1) The appetite of the seller to continue in the process,
2) Increases the risk of misalignment with our shared services partner Energy+
3) Approaches the end date of the current leases
4) Negatively impacts BPI's regulatory strategy and ability to realize rate recovery

Alternative B – Waive Conditions prior to Zoning Approval

The second alternative is to not wait for the completion of the Zoning Bylaw Amendment and proceed with finalizing the Real Estate Transaction as soon as possible, allowing us to begin the process of procuring the Design Builder earlier than later.

As we need to wait for the completion of the Phase 2 ESA, we do not believe we should finalize the Real Estate Transaction until near to the end of the conditional period on 2019-02-25. Under this alternative we would drop all our conditions from the

offer in exchange for a closing date in Q4 2019 in addition to attempting to negotiate a reduction in the purchase price.

There is risk that the Zoning Bylaw Amendment may not be approved, and/or it may be appealed to the LPAT, but this is partially mitigated by both the potential of the Electricity Act exemption as well as contingency plans to store higher volumes items indoors; and the storage of poles at an off-site location; and exploring vendor/shared service locations.

If we proceed with procuring the Design Builder in Q1 2019 as opposed to Q4 2019 it is very likely that we will be able to achieve full occupancy of the site by BPI by the end of 2020 which in-turn mitigates the risks mentioned previously in Alternative A, namely:

1) The appetite of the seller to continue in the process,
2) Maintains alignment with our shared services partner Energy+
3) Maintains a contingency prior to lease expiry
4) Maintains BPI's regulatory strategy and while not guaranteeing, improves the ability to realize rate recovery

7. Appendix B - Options Analysis

At the time of this report there has been no material change on this front.

Below is the update from the 2018-12-19 report for the Board's reference if required.

Option A – Garden Ave

The first option, "Option A", is proceeding with the Garden Ave facility in January/February 2019. The simplest and quickest way to proceed would be to remove the price cap from the previous RFP and re-issue it to the pre-qualified proponents.

We could also contemplate re-starting the entire procurement process and re-qualifying Design Builders, but it is not expected that will achieve any significant cost reductions and would delay the final completion of the facility.

Based upon the feedback from the Design Build proponents we understand that the facility as designed would cost in the range of $22-25 million plus land, FF&E, permitting, and other soft costs would give us a best-case scenario of $28.5 to $31.7 million for a purpose-built facility.

Full details for Option A are included in the summary table below.

Option B – Savannah Oaks

The second option, "Option B" is the purchase of the land and buildings at 150 Savannah Oaks Drive and renovating and expanding as required to meet Brantford Power's and Energy+'s operational needs.

As stated above, BPI retained the services of AECOM to prepare a conceptual design and cost estimate based upon adapting the latest schematic design for the Garden Ave facility. The intent of this exercise was to determine the cost to achieve of maintaining the same level of operational performance at the Savannah Oaks facility as was designed in the Garden Ave facility with as few compromises as possible.

Roof and HVAC Roof top unit replacement

Following the 2018-11-28 Board meeting Brantford Power has obtained a roof inspection report from an experienced roofing professional as well as received information from the current maintenance company in charge of the rooftop HVAC equipment. For both items it has been confirmed that there is no immediate need to replace them as they both have 3-5 years left of their life left.

For the roof there is some minor repairs costing less that $10,000 that should be done as part of our renovations including a thermal scan to determine the performance of

the insulation, but our understanding is that it would be premature to consider a full replacement of the roof at this time.

For the rooftop HVAC units, we also met with the company who has been maintaining the units since the building has been constructed and they have confirmed that these units should not require complete replacement for another 3-5 years also. There is an increasing chance of failure of these units the longer they are operated but provided that a thorough investigation is done, and funds are allocated for limited emergency repairs if required, we believe that the full replacement of these units can be safely deferred for 3-5 years.

For both items we would recommend that the condition of both be reviewed annually to re-confirm these predictions.

Building Automation System Replacement

BPI and Colliers meet on 2019-01-15 with Neelands Group, the HVAC firm that has been maintaining the equipment on the Westcast site since its construction. We have discovered that the Building Automation System is at the end of its life and that replacement parts may be very difficult or impossible to find. Neelands Group will be providing some budgetary numbers for the replacement of the BAS system for incorporation into the project budget, but this could be as high as $250,000 depending upon the type of new system purchased and how it is installed. We may contemplate including this item in our negotiation strategy regarding the Real Estate Transaction.

Variances from Option A - Garden Ave

As stated in the previous report, below are the key variances from Option A – Garden Ave:

- Warehouse is 18,000 SF as compared to 8,000 SF
- Two repair bays instead of one
- Additional Office space available for rent
- Additional land available for sale

Cost Estimate for Option B

Once the conceptual design was complete, a cost estimate and budget were created for this option and scenarios with and without a 25% contingency totals were determined based upon all known costs to date. Based upon the assumptions included in the Savannah Oaks budget, we believe the best-case scenario to now be $24 million, (down from $26.7 million) and the worst case to be $30.3 million (down from $32.9 million). Please note that in both best- and worst-case scenarios it is assumed that all 14 acres of surplus land would be severed and sold but at different rates.

Full details for Option B are included in the summary table below.

Options Summary Table

Option	A – Garden Ave		B – Savannah Oaks	
Site Area	10 acres		48.4 acres	
Usable Land	10 acres		30.5 acres	
Surplus Land	0 acres		13.9 acres	
Remaining Useable Land	10 acres		16.6 acres	
Building Area	64,477 SF		Current: 96,000 SF Proposed: 123,000 SF	
	Best Case	Worst Case[1]	Class D Estimate (AECOM)	Class D Estimate +25%
Project Budget	$28.5 m	$31.7 m	$24.2 m	$30.5 m
Construction Costs	$23.7 m	$26.9 m	$12.9 m	$17.8 m
Real Estate costs[2]	$1.7 m	$1.7 m	$8.8 m	$9.5 m
Other[3] Costs	$3.1 m	$3.1 m	$2.5 m	$3.2 m
Cost per SF	$442.02/SF	$491.65/SF	$196.74/SF	$247.97/SF
Projected Rate Impact[4]	$2.20	$2.46	Less than $1.32	Less than $1.66

[1] The Best- & Worst-Case costs for Garden Ave incorporate feedback from the proponents of the Design-Build RFP
[2] In Option B the real estate costs are net of the sale the surplus land
[3] Other costs include: Soft costs, Furniture, Fixtures, Equipment, and Permits and Fees
[4] Directional rate impacts for the typical Residential Customer after an ICM application, based on a broad series of assumptions subject to change and the inclusion of operational expense impacts to be included in rebasing in 2022.These rates are independent of renting out of first floor

Option	A – Garden Ave	B – Savannah Oaks
Advantages	• Purpose built, no additional areas • Already own land • Avoid potential write-offs of costs incurred to date • Estimated completion date is Q2-Q3 2020	• Lower rate impact to customers due to sharing of costs with additional tenant. • $/SF costs in line with OEB benchmarking which increases the probability of rates being approved • Office is move in ready • Warehouse is 10,000 SF larger • 25,000 SF of office space available for rent • 14 acres of land that could be severed and sold (already included in budget) • 2 repair garage bays • Additional space to pursue growth for affiliates • Potential to revisit renewables. • Proceeds from sale of Garden Ave land
Disadvantages	• Cost/ SF is out of line with sector Benchmarking, resulting in the likelihood that the total costs would not be approved and funded by rate payers • Limited flexibility in terms of future growth opportunities • Single repair garage bay	• Expected completion date is for full occupancy Q4 2020 to Q1 2021 due to additional municipal approvals • Significant investment required into design prior to receiving approval from city to permit open storage without certainty of outcome • Risk of not finding an office tenant to help absorb the costs of the large space not used by BPI, E+ or BHI • Risk of not being able to sell surplus land • Incurring a partial write off of work completed for Garden Ave • Expected closing date in 2019, contributing to additional operational costs that are not funded through ICM revenue

Table of Building Areas by Tenant

Occupant	Option A Garden Ave	Option B Savannah Oaks	Variance
Brantford Power Inc.	37,297	44,337	-7,040
Energy+	14,743	14,230	513
Brantford Hydro Inc.	2,906	3,122	-216
Shared	9,536	20,624	-11,088
Common	0	15,220	-15,220
Future Tenant	0	25,715	-25,715
Total	**64,482**	**123,248**	**-58,766**

Incremental Value Streams

Below are several additional value streams that, aside from the sale of the surplus land, are not included in the costs identified above. At the time of writing the report Management had initiated building proformas for the Savannah Oaks option.

- Incremental value from relationship with Energy+ through lease agreements, shared service agreements, and licensing agreements which can be realized for both Option A and Option B.
- Exclusive to Option B - Savannah Oaks are the following additional value streams
    a. Leasing revenue from 1st floor office space (approximately 25,000 SF)
    b. Sale of the surplus properties (included in budget figures identified above)
    c. Sale of property on Garden Ave

Potential Further Cost Savings for Option B

Reduce the size of the yard based upon increased size of the warehouse – up to $727K

Based upon the conceptual design, the warehouse at Savannah Oaks will be significantly larger than planned for Garden Ave, coming in at approximately 18,000 SF as compared to 8,000 SF. This is due to the surplus of space within the TDC and the difficulty of adapting the existing structural and utility conditions to vehicle garage use. As this warehouse will have significantly more storage capacity than required there is the potential to reduce the size of the yard by approximately 1.5 acres and store the displaced items within the warehouse.

Item	**#**	**Unit**	**Notes**
Area	1.5	Acres	
Unit cost to develop into yard	-$335,000	$/acre	From AECOM estimate
Total Cost reduction	-$502,000	$	
Unit Sale price of land	$150,000	$/acre	Based on lower end of sale estimate ranges
Total Sale price	$225,000	$	
Total benefit to project	$727,000	$	

Financing

It should be noted that as part of the agenda for the 2019-02-20 Board Meeting there will a dedicated item for the Building Financing.

8. Appendix C – Conditions in Offer

Any updated since the 2019-01-18 report are highlighted in yellow below.

Condition	Current Deadline	Status	Projected Completion Date
The state of repair and all structural and environmental aspects of the lands, Building(s) and all other improvements located on the Property(s), including the proper function and condition of the structure, roof and all the Seller's fixtures. For such purposes, the Buyer and/or its consultants and representatives and their equipment shall be entitled to have access to the Property(s) at all reasonable times to make such inspections and conduct such tests and environmental audits as the Buyer shall require in its absolute discretion, all at the Buyer's sole risk and expense;	~~2018-12-27~~ ~~2018-11-27~~ 2019-02-25	**State of repair:** Roof appears to have 3-5 years of life left with minor repairs, no concerns Rooftop HVAC units can be maintained for another 3-5 years with some increased maintenance. BAS will require replacement in the near term to guarantee it can be maintained. **Structural:** No identified concerns. **Environmental:** UPDATE: Received preliminary results that all soil and groundwater samples tested were under the required limits. DSS confirmed some lead paint in some areas, not a significant concern. **Fixtures:** Detailed furniture inventory completed Issues documented with existing communications cabling. Further discussion with seller for scope of removals of existing equipment.	2019-02-25
The Buyer obtaining suitable financing on terms, conditions and an amount that the Buyer may determine in its sole and absolute discretion;	~~2018-12-27~~ ~~2018-11-27~~ 2019-02-25	UPDATE: It should be noted that as part of the agenda for the 2019-02-20 Board Meeting there will a dedicated item for the Building Financing.	2019-02-25
The Buyer obtaining Board of Directors Approval;	~~2018-12-27~~ ~~2018-11-27~~ 2019-02-25	Has been extended to 2019-02-25. Board Retreat on 2019-01-22 and Board Meeting on 2019-02-20	2019-02-25
The Buyer being satisfied in its sole and unfettered discretion with the data and details contained in the Information to be provided as per Section 8 of this Schedule "A".	~~2018-12-27~~ ~~2018-11-27~~ 2019-02-25	No issues identified	Already completed

Condition	Current Deadline	Status	Projected Completion Date
The Buyer obtaining final Board of Directors Approval; and	2019-02-25	Board Retreat on 2019-01-22 and Board Meeting on 2019-02-20	2019-02-25
The Buyer obtaining all required regulatory; zoning by-law amendment and ministry approvals it requires in its sole and absolute discretion.	2019-02-25	UPDATE: Recommendation in this report is for BPI to accept the risk of the Zoning Bylaw Amendment and remove this condition. Based upon the feedback from the City of Brantford we expect the Zoning Bylaw Amendment process to take 3-6 (was 6-9) months to complete.	End of Q3 2019 (was June 28, 2019)

9. Appendix D – List of Due Diligence Activity

Chronology of due-diligence activities completed to date:

Prior to 2018-11-28 Board Meeting:

- Gathering of records from the seller as well as consulting firms involved in the design and construction of the existing facility as well as permit application records from the City of Brantford
- Design and estimating of a Concept Design Study by AECOM
- Initiating a Phase 1 ESA Study from AECOM and a Designated Substances Survey from Englobe
- Preparation and Submission of an Application for Pre-Consultation to the City of Brantford
- Participating in preliminary discussions with City of Brantford Planning, Economic Development, and Senior Admin regarding the plans for the facility
- Completing a Furniture Inventory for the building
- Arranging an inspection of the roof by a roofing consultant
- Performing tours of the facility with the Chair of the Board, Energy+ and Brantford Hydro to gain feedback.

Between 2018-11-28 and 2018-12-19 Board Meetings:

- Performed a roof inspection and received a report on the roof
- Received the Phase 1 Environmental Site Assessment Report & Designated Substances Survey report
- Authorized Marshall Murray to proceed with a Class D estimated based upon the conceptual design prepared by AECOM to validate costs
- Attended a Site Plan Agreement pre-consultation meeting with the City
- Received finalized floor plans from the furniture inventory
- Explored the option of reducing the amount of outdoor storage required
- Reviewed the concept plans with the MTO
- Initiated discussions with planners and AECOM to determine next steps
- Begun creating a pro-forma and new rate impact analysis for the proposed transaction
- Initiated process to validate conditions of the rooftop HVAC units

Between 2018-12-19 Board Meeting and 2019-01-22 Board retreat

- Approved the completion of the Phase 2 ESA and Geotechnical investigation
- Received preliminary draft of the Class D estimate from Marshall Murray
- Engaged a planner for a preliminary assessment
- Met with city planning staff regarding details of Zoning Bylaw Assessment
- Received guidance from BLG on Electricity Act exemption to zoning by-laws
- Met with the original HVAC/BAS maintenance company

- Initiated a proposal from the HVAC company for services for maintenance, commissioning, and required repair or replacements
- Received the final Development Review notes from the City of Brantford

Since 2019-01-22 Board retreat:

- Received proposals from 3 different planners for the Zoning By-law Amendment
- Completed drilling on site for Environmental and Geotechnical investigations.
- Received preliminary results from Environmental and Geotechnical investigations
- Received quote from Neelands group (Sellers HVAC maintenance company since construction of the building) for ongoing maintenance of facility
- Receive final copies of the topographical survey
- Validated operational costs for facility (see appendix E for detailed 2013-2018 operational costs)
- Prepared sensitivity analysis for not obtaining tenant for surplus ground floor office space
- Reviewed strategy for negotiating changes to the real estate transaction with BPI's broker
- Renewed and updated the letter of agreement with Energy+ to ensure application for both Garden Ave and Savannah Oaks
- Awarded Zoning Bylaw Amendment work to GSP group
- Investigated market conditions and potential lease rate with CBRE

10. Appendix E – Facility Costs

Description	2013	2014	2015[5]	2016	2017	2018[5]
Natural Gas[6]	$34,627	$53,341	$47,076	$29,970	$35,748	$37,118
Electrical Energy[7]	$224,199	$216,776	$196,303	$201,982	$192,925	$98,585
Water	$6,562	$8,704	$8,244	$4,804	$4,724	$7,386
Landscaping / Snow Removal	$44,766	$47,477	$37,508	$35,467	$37,664	$17,271
Insurance - Property	$40,608	$29,791	$20,871	$20,893	$35,440	$26,922
Janitorial Services	$95,627	$87,919	$70,581	$65,880	$54,889	$17,939
Security Expenses	$9,924	$4,086	$2,138	$2,999	$1,637	$4,298
Property Taxes	$316,273	$336,303	$332,640	$300,289	$290,931	$317,381
Miscellaneous (Elevator, Environmental)[8]	$14,490	$12,710	$16,734	$17,000	$17,340	$10,000
Safety (Georgian Bay Fire & Safety)	$2,990	$3,585	$4,835	$5,000	$5,100	$3,000
Sub Total	**$790,066**	**$800,692**	**$736,930**	**$684,284**	**$676,398**	**$539,898**
Equipment Repair & Maintenance	$103,530	$130,893	$149,292	$141,300	$90,987	$47,828
Total	**$893,597**	**$931,585**	**$886,223**	**$825,584**	**$767,385**	**$587,725**

[5] 8 months of costs provided by Westcast. Data evenly extrapolated for 12 months.
[6] Natural Gas costs are mainly driven by EES Test Burners in the TDC (Technical Development Centre) that ran 24/7
[7] Electrical Costs are driven by the use of furnaces running for Research and Development by Westcast - Closed in Dec 2017
[8] Estimated cost for in RED

11. Appendix F – Energy+ Letter

ENERGY+ INC.
1500 Bishop Street, P.O. Box 1060, Cambridge, Ontario N1R 5X6 • Telephone 519-621-3530 • Facsimile 519-621-0383
Website www.energyplus.ca

February 14, 2019

Paul Kwasnik
President & CEO
Brantford Power Inc.
84 Market Street
P.O. Box 308
Brantford, ON
N3T 5N8

Dear Paul,

Please accept this letter as confirmation of Energy+ Inc.'s ongoing commitment to work with Brantford Power on a long-term facilities solution that meets the needs of both of our utilities.

We remain committed to the principles outlined in our November 6, 2017 Letter of Agreement and look forward to continuing to explore options of a new build or the purchase and renovation of an existing facility.

Sincerely,

Ian Miles
President & CEO
Energy+ Inc.
519-239-9715 (C)
519-621-3530 Ext 2355 (W)
imiles@energyplus.ca

DATE: February 20, 2019 **REPORT NO. BPI-1902-005**

TO: Mr. Scott Saint, Chair and Directors

FROM: Brian D'Amboise,
CFO & VP Corporate Services

1.0 TYPE OF REPORT:

☒ **For Decision**

☐ **For Discussion**

☐ **For Information**

2.0 TOPIC: ROYAL BANK FINANCING RESOLUTION

3.0 RECOMMENDATION

That the BPI Board of Directors approve:

a) Securing up to $25,000,000 in financing from RBC for the proposed consolidated facility project as documented in the proposed detailed resolution in Attachment A; and

b) that Management be delegated the authority to execute the committed term sheet and subsequent financing agreements and other documents necessary to secure this financing.

4.0 PURPOSE

To obtain the approval of the Brantford Power Inc. Board of Directors for a resolution required to secure up to $25,000,000 in financing from the Royal Bank of Canada necessary to finance its consolidated facilities project and to obtain the necessary delegated signing authority for the President & CEO and CFO & VP Corporate Services to execute the committed term sheet, the necessary financing agreements and related documents reasonable or necessary to implement the required financing plan.

5.0 BACKGROUND

The BPI Board of Directors approved in September 2018 Management's recommendation regarding securing $25,000,000 in RBC Financing to construct the planned facilities for the Garden Avenue Project.

With BPI considering the alternative option for 150 Savannah Oaks, BPI's proposed real estate transaction provided for a Purchaser's condition on obtaining the requisite financing. Despite having received RBC approval for the Garden Avenue funding, the introduction of a different project and the need to ensure access to the capital was committed before BPI waived the financing condition with the seller necessitated BPI and RBC to review this revised proposed transaction.

RBC reviewed the revised financial plan incorporating the new project and confirmed the approval from RBC's internal credit granting authority. As BPI required certainty of access before waiving the financing condition on the real estate transaction, RBC updated their committed term sheet limiting their pre-conditions to:

- BPI appointing a qualified project manager;
- BPI sharing any related property appraisal information in BPI's possession
- BPI executing all requisite legal documents and agreements.

Gowling who is providing BPI with legal support on this transaction reviewed the proposed closing agenda from RBC's legal counsel and advised that the resolution in Attachment A needs to be explicitly approved by the Board for BPI to demonstrate the Corporation had the necessary authority to proceed with the transaction.

In order to enable BPI to waive the financing condition in the offer to purchase 150 Savannah Oaks before the expiry date of that offer, BPI must secure the financing and bind RBC to provide it by signing back the committed term sheet before the waiving of the financing condition.

6.0 INPUT FROM OTHER SOURCES

Not Applicable

7.0 STRATEGIC PLANNING CONTEXT

Not Applicable

8.0 ANALYSIS

RBC has submitted a committed proposed term sheet that if signed by BPI by February 22, 2019, will commit RBC to providing BPI up to $25,000,000. In addition to BPI's internal review, Gowling and Grant Thornton have confirmed that the terms of this committed term sheet are largely in keeping with the initial terms outlined in RBC proposal resulting from the procurement process undertaken to get this financing.

Management through its advisors have identified a few minor changes to the committed term sheet that will be suggested to RBC but is satisfied at this point that with a signature on this committed term sheet, BPI is in a position to waive the financial condition on the offer to purchase.

9.0 FINANCIAL IMPLICATIONS

As RBC is required to earmark the capital for this project once BPI has signed back the committed term sheet, RBC will be charging the planned $10,000 transaction fee in February 2019. No other costs will be incurred and the draw down period prescribed in the proposed financing agreement will not start until the actual agreements have been executed.

The terms outlined in the proposed committed term sheet are all in keeping with those reflected in the most recent financial plan contained in the approved 2019 Budget and Multi-Year Forecast.

Although an updated RBC credit approval was required, RBC has confirmed that the approval was granted on the basis of BPI's strong financial position and prospect for future cash flows. Although RBC has an interest in the specific assets to be acquired given its general security agreement, the nature of the actual property acquired was not a significant factor in their approval considerations.

10.0 CONCLUSION

BPI is in a position to formally secure the previously approved financing for the consolidated facilities project by authorizing the execution of the committed term sheet and related agreements and documents as well as approving the attached resolution to document the corporate authority and approval to proceed with the financing transaction.

Submitted by,
Brian D'Amboise,
CFO & VP Corporate Services

ATTACHMENTS:

A – Financing Resolution

ATTACHMENT A – PROPOSED FINANCING RESOLUTION

RESOLUTION OF DIRECTORS
OF
BRANTFORD POWER INC.
(the "Corporation")

RECITALS

A. The Corporation has the power and capacity to borrow money upon the credit of the Corporation, to issue securities of the Corporation and to mortgage and charge all or any of the real and personal property of the Corporation.

B. The Corporation has in its interest to enter into and deliver to Royal Bank of Canada (the "**Bank**") the Loan Agreement (as defined below), a general security agreement, other assignments and agreements with the Bank as security for its present and future indebtedness, liability and obligations to the Bank and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets.

RESOLVED THAT:

1. The entry into, execution and delivery to Bank of the credit agreement between the Corporation, as borrower, and the Bank, as Lender, (as amended, restated, supplemented, replaced and otherwise modified from time to time, the "**Loan Agreement**") is hereby authorized, ratified and approved.

2. The Corporation is authorized to borrow from the Bank on the terms and conditions set out in the Loan Agreement.

3. the Corporation execute and deliver to the Bank

   (a) a general security agreement as and by way of collateral security for all indebtedness and liability, present and future, direct or indirect, of the Corporation to the Bank;

   (b) an assignment of insurance;

   (c) an amended and restated Intercreditor Agreement among, the Corporation, the Bank and Infrastructure Ontario;

   (d) a mortgage over the lands and premises known as 150 Savannah Oaks (specific legal definition to be added), Brantford, ON (the "**Property**");

   (e) a general assignment of leases and rents;

(f) an International Swaps and Derivatives Association Mater Agreement; and

(g) such other loan, security and other documents as the Bank may require from time to time in accordance with the terms and conditions of the Loan Agreement or the documents described above,

(collectively, the "**Loan Documents**") to be substantially in the form and to contain the terms and conditions of the drafts presented to the directors of the Corporation, subject to such alterations, amendments or additions to which any director or any officer of the Corporation may agree;

4. the Corporation mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future indebtedness and liability to the Bank, all as provided in the said general security agreement;

5. the Corporation is hereby authorized to grant a mortgage to be registered on title to the Property in favour of the Bank as security for the payment of all present and future indebtedness and the performance of all obligations of the Corporation to the Bank;

6. the execution by any two (2) directors or officers of the Corporation of the said Loan Documents shall be conclusive proof of his agreement to any amendments or additions incorporated therein;

7. any two (2) directors or officers of the Corporation be and each of them is hereby authorized to execute and deliver Loan Agreement and each of the Loan Documents and all such other documents and writings on behalf of the Corporation under seal or otherwise and do such acts and things as may be necessary for fulfilling the Corporation's obligations under Loan Agreement and each of the Loan Documents and to give effect to the foregoing resolutions.

DATED: February 20, 2019

BPI-1904-002

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811349-0008(1.0).docx
Project:	BPI/Savannah Oaks	Date:	2019-04-18
Period:	Project Status Report – April 2019		

1. Project Dashboard

Current Project Phase: Procurement

Status	Overall	Scope	Budget	Schedule
Last update to Board (2018-09-21)	Mid	No	Mid	Low
Current update to Board (2019-04-18)	Low	No	Low	Mid

Overall Status

Following the boards approval at the meeting on 2019-02-20, Management removed their conditions on the offer for the 150 Savanah Oaks Drive property on 2019-02-25. Based upon the conditions of the offer, closing is scheduled for 2019-04-26.

Most of the work completed since the last board meeting was related to ensuring that BPI has everything in place to close the deal on the property on the 26th.

2. Scope

There are no foreseen issues with the scope of the project. As discussed previously the intent of the renovations and expansion to the 150 Savannah Oaks property is to achieve the same level of operational performance that was included in the original design for the Garden Ave site, prior to the extensive value engineering exercise undertaken.

The key components of the scope for the Savannah Oaks Project are as follows:

- Office
  - Repair wear and tear items
  - Perform any required disruptive maintenance

    - Provide for secure access and fire exits for the various suites planned for the space
    - Ensure all IT and AV equipment is functional and read for use by BPI
- Technical Development Centre (TDC)
    - Demolish all remaining Westcast specific items
    - Construct new operations areas for BPI and Energy+ including full lockers and showers
    - Construct two bay vehicle service area
    - Install warehouse racking
    - Modifying the HVAC as required to suit the new use
    - Install roll up doors as required
- Yard
    - Create an outdoor storage yard including landscaped berms
    - Construct security fencing
    - Construct two new vehicle garages, a fueling station, a communications tower, and a loading dock.

Agreement between E+ and BPI

As of this writing a revised letter of agreement has been issued to Energy+ and we are awaiting approval from Energy+. Concurrent with the revisions to the letter agreement, Energy+'s CEO has received approval from their Board of Directors on the key rates and conditions included in the revised letter of agreement. Management will provide an update on this at the 2019-04-24 board meeting.

3. Budget & Cost Validation

Based upon the Class D estimate prepared by AECOM and the latest information on all other costs, Colliers has prepared a high-level proposed budget for the project that totals $28.6 million and is broken down as follows:

Item	Description	Budget	Contingency[1]	Total
1	Soft Costs	$842,500	$127,000	$969,500
2	Construction	$13,375,000	$3,815,000	$17,190,000
3	Furniture, Fixtures, & Equipment	$740,000	$111,000	$851,000
4	Permits and Fees	$370,280	$56,000	$426,280
5	Land Purchase[2]	$8,772,000	$0	$8,772,000
6	Garden Ave Transferred Costs	$377,416	$0	$377,416
	Total Project Budget	**$24,477,196**	**$$4,109,000.00**	**$28,586,196**

To provide additional validation of the costs as we proceed, in addition to requiring the Design Builder to provide cost estimates at the design milestones, BPI will also be retaining the services of an independent cost consultant to prepare concurrent estimates to validate the costs presented and provide an additional layer of certainty and authority to all of the costing presented going forward.

Financing

As the Real Estate transaction is scheduled to close on 2019-04-26, BPI is also working to close its financing transaction on or before 2019-04-26. The Board will recall that at the close of the financing transaction, BPI will lock in a future Interest Swap instrument, a fixed future rate for 25 years beginning in 18 months. In the interim, BPI will be borrowing at variable rates the funds needed to acquire and repurpose the facilities. This is preferred as short-term rates are less expensive than longer term rates. Nevertheless, as the yield curve is relatively flat, locking in the 18-month future rate now is only a few basis points higher than locking in a future swap as at the date of closing. In this way, BPI can still have the long-term rate protection while

[1] These contingency amounts are included in the proposed budget amounts and are specific to the level of variability in the budget items
[2] This is assuming that BPI nets $2.8 million from the sale of the surplus land

benefiting from the lower rates in the short term resulting in the best outcome for the business and its customers.

The business case for this strategy has improved since initially reviewed. BPI will be borrowing a much higher amount at the outset than originally contemplated under the Garden Ave project scenario. In that project, borrowings would ramp up as construction progressed since that project did not have an acquisition component as the land had previously been paid for out of working capital. The financing strategy of using lower floating rates during the first 18 months will yield greater savings to BPI than previously calculated due to the fact that BPI is borrowing a significant amount at the beginning of the project to fund the acquisition.

The current plan is to take an initial draw on closing of $12,000,000 to cover the $11.55 million acquisition costs and to fund some of the project due diligence costs incurred to date. Interest on these loans will be capitalized to the project in keeping with applicable accounting standards and will not have any immediate impact on reported earnings. Similarly, since BPI is not using its internal funds at this time, BPI can still maximize interest income on a tight budget year when BPI will be absorbing operating costs of the new facilities earlier than forecasted in the 2019 approved budget.

Operationalizing 150 Savannah Oaks

Facility Maintenance

As part of taking ownership of the 150 Savannah Oaks facility on 2019-04-26, BPI has obtained quotes from the seller's vendors to provide ongoing maintenance and service for at least 1 year following the close. Please see the separate report in the board package for more information.

Yard Size

BPI has confirmed with their staff as well as Energy+'s staff that most of the products that both utilities store on site can be located indoors. Upon the re-start of the logistic planning piece of this project a key goal will be to determine by how much we can reduce the size of the outdoor storage yard without impacting the ability for the utilities to operate effectively and safely out of this facility.

Real Estate Update

Surplus Land

BPI is proceeding with plans to dispose of the surplus property, starting first with the Garden Ave property. BPI is asking for Guidance from the City of Brantford on the process to dispose of surplus properties. BPI has been informed that there is not formal process at the City to dispose of the property. BPI has spoken to both the City's

legal and real estate department on this matter. BPI has requested a proposal from CBRE to employ a modified tender process for the Garden Ave property.

Parcel(s)	**Activities to complete prior to sale**
Garden Ave	Determining process to dispose
150 Savannah Oaks	Determining process to dispose Determine quantity & size of parcel(s) Finalize site design, including stormwater management Permission to Severe from City of Brantford
29 Tallgrass Court	Determining process to dispose Determine quantity & size of parcel(s) Finalize site design, including stormwater management Permission to Severe from City of Brantford Zoning By-Law Amendment Approval

Ground Floor Tenant

BPI has received a proposal from CBRE to list this space and are comparing the fee structure to other properties for lease in Brantford. The intent is to list both the ground floor suite and Garden Ave property as soon as possible after the Board Meeting on 2019-04-24.

4. Schedule

The project is progressing well with the next key milestone being the issuance of the RFP for the design and construction of the proposed renovations and expansion of the 150 Savannah Oaks property.

Schedule Overview

Milestone	Expected Completion
Close Real Estate Transaction	April 26, 2019
Secure a Contractor	End of May 2019
Receive Zoning By-Law Amendment	Q3 2019
Begin Construction on Site	Q3 2019
Submit for Site Plan Approval	Q3 2019
Administrative Move	Q4 2019 or Q1 2020
Receive Site Plan Approval	Q1 2020
Entire Facility in Service	Q4 2020

Procurement

Colliers, BPI, and the City's procurement department are finalizing the RFP for the construction of the proposed improvements to the 150 Savannah Oaks facility, based upon the concept design prepared by AECOM.

This RFP is expected to be issued to the market on as soon as possible following the board meeting, and close approximately three weeks later. As part of this RFP process a site visit will be arranged early in the process to allow all the prospective proponents a chance to visit the site and have the scope of the proposed renovation described to them first hand. Following the close, Colliers, BPI, and the City require a few weeks to review the submissions and determine who the successful proponent is, but we expect to have a Contractor secured in June of 2019.

Municipal Approvals

As reported previously, the 150 Savannah Oaks Drive property is not zoned for open storage, a key component of BPI's ability to operate from this facility.

Through a competitive process, BPI has retained the services of GSP Group as their planner to prepare a Zoning By-law Amendment application that was confirmed to be received by the City of Brantford on 2019-04-03. This application has been "deemed complete" and is planned to be circulated to city staff before the end of the month. City planning is expecting to have this on the agenda for the August 6th Committee of the Whole meeting, and then also at the Council meeting on August 27th. Following Council's decision, a 20-day appeal period would be in place prior to the decision being final.

5. Next Steps

Prior to the May Board meeting, Management and Colliers plan to have the following completed:

- Close the 150 Savannah Oaks Drive transaction on April 26, 2019
- Issue the RFP
- List first floor office space for lease
- Establish process for selling surplus land
- Confirm that the Zoning By-Law Amendment package has been circulated to City Staff

Colliers Project Leaders

BPI-1905-003

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811349-0015(1.0).docx
Project:	BPI/Savannah Oaks	Date:	2019-05-16
Period:	Project Status Report – May 2019		

1. Project Dashboard

Current Project Phase: Procurement

Status	Overall	Scope	Budget	Schedule
Last update to Board (2019-04-18)	Low	No	Low	Mid
Current update to Board (2019-05-16)	Low	No	Low	Mid

Overall Status

BPI has successfully closed the real estate transaction for 150 Savannah Oaks Drive on 2019-04-26 and is now the owner of the property. BPI also issued the Construction Management RFP to the market on 2019-05-09 with a scheduled closing of 2019-06-03. In addition, the Letter of Agreement was executed by Energy+ and the facility was toured by the Fire Chief and representatives from Emergency Services.

Additional developments since our last meeting specific to the procurement of services for Real Estate Brokerage and Construction Management that require approval from the Board are identified in the Real Estate Update section on page 4 and the Procurement section on page 6.

2. Scope

Note: This section has been unchanged from the previous report and is included for reference.

There are no foreseen issues with the scope of the project. As discussed previously the intent of the renovations and expansion to the 150 Savannah Oaks property is to achieve the same level of operational performance that was included in the original

design for the Garden Ave site, prior to the extensive value engineering exercise undertaken.

The key components of the scope for the Savannah Oaks Project are as follows:

- Office
  - Repair wear and tear items
  - Perform any required disruptive maintenance
  - Provide for secure access and fire exits for the various suites planned for the space
  - Ensure all IT and AV equipment is functional and ready for use by BPI
- Technical Development Centre (TDC)
  - Demolish all remaining Westcast specific items
  - Construct new operations areas for BPI and Energy+ including full lockers and showers
  - Construct two bay vehicle service area
  - Install warehouse racking
  - Modifying the HVAC as required to suit the new use
  - Install roll up doors as required
- Yard
  - Create an outdoor storage yard including landscaped berms
  - Construct security fencing
  - Construct two new vehicle garages, a fueling station, a communications tower, and a loading dock.

Agreement between E+ and BPI

As of this writing the revised letter of agreement has been approved by Energy+. The letter of agreement commits Energy+ to be a tenant within a defined range of lease rates based upon our class D estimate.

The next step is for BPI to provide Energy+ with the draft copies of the shared services agreement and the lease agreement in June 2019.

3. Proposed Budget & Cost Validation

Based upon the Class D estimate prepared by AECOM and the latest information on all other costs, Colliers has updated the proposed budget for the project. Since the last update to the Board actual costs and updated estimates were obtained and while there are positive variances in the category soft costs, they do not totally offset the actual costs for the finalization of the real estate transaction. That being said, the proposed budget below reflects a less than 1% increase since the last report.

Please note that this proposed budget assumes that BPI will net $2.8 million from the sale of surplus land at a conservative estimated sale price of $200,000 per acre.

This proposed budget will continue to be refined with actual costs and updated estimates over the next few months prior to BPI and Colliers recommending that the budget be formally approved.

#	Description	Proposed Budget	Contingency[1]	Total
1	Soft Costs	$822,500	$124,000	$946,500
2	Construction	$13,375,000	$3,815,000	$17,190,000
3	Furniture, Fixtures, & Equipment	$740,000	$111,000	$851,000
4	Permits and Fees	$376,280	$50,000	$426,280
5	Land Purchase	$9,017,020	$0	$9,017,020
6	Garden Ave Transferred Costs	$377,416	$0	$377,416
	Total Project Budget	**$24,708,216**	**$4,100,000**	**$28,808,216**

As communicated previously, the Construction Manager will be requested to provide updated estimates on a monthly basis. Following the award of the Construction Manager they will begin the preparation of their first estimate which is expected in July of 2019.

[1] These contingency amounts are included in the proposed budget amounts and are specific to the level of variability in the budget items

Financing

The Financing transaction closed as planned on 2019-04-26. BPI requested an initial draw of $12,000,000 to finance the acquisition of 150 Savannah Oaks and some of the related previously incurred due diligence costs.

The intent of the financing plan approved by the Board was to finance the refurbishment and construction period using variable rate instruments leading to the final take-out long-term debt in 18 months. As a result, BPI obtained the $12,000,000 financing draw through a 90-day bankers' acceptance. The interest rate on this instrument was 2.0075% plus the RBC stamping fee of 0.55% for a total effective cost of 2.5575%.

In 90 days or 2019-07-25, this instrument will be rolled over likely for a further 90 days and possibly combined with another financing draw at that time depending on the timing of project expenditures and related cash flow forecasts.

Operationalizing 150 Savannah Oaks

Facility Maintenance

Based upon the Board's approval, BPI has retained the services from most of the existing vendors for the 150 Savannah Oaks drive site and regular maintenance is underway.

Yard Size

BPI re-initiated communication between the executives of the two operating groups for BPI and Energy+ that included on on-site tour. This restarted the discussion specific to the merits of indoor storage and maximizing the use of the warehouse and minimize the size of the yard. These groups will continue to work together through the design of the project.

Real Estate Update

179 Garden Ave & Ground Floor Suite

BPI has created an RFP for real estate brokerage services with input from:

- City of Brantford Purchasing
- City of Brantford Economic Development
- City of Brantford Legal
- Gowlings LLP

This RFP is limited to the sale of 179 Garden Ave as well as the leasing of the ground floor suite at 150 Savannah Oaks Drive. This RFP will be by invitation only to selected brokers identified after a review of all real estate transactions completed after January

2018 that were over $2 million as provided by City of Brantford Economic Development Department. The invited proponents will be:

- CBRE Limited
- Coldwell Banker
- Colliers International
- Re/Max Twin City Realty

The following are the evaluation criteria that will guide BPI's evaluation of the proposals:

- Demonstrated knowledge, experience in commercial real estate markets
- Demonstrated experience with similar commercial properties
- Quality of proposal: clarity and perceived effectiveness of proposed work plan/strategy
- Firm's financial proposal

The Contract term shall be for a six (6) month period. The Contract will be reviewed at six (6) month intervals for renewal consideration at BPI's sole discretion.

With the Board's approval, it is BPI's intention to issue the RFP immediately following the board meeting which will allow us to get to the market for these first two transactions as soon as possible.

150 Savannah Oaks Drive & 29 Tallgrass Court

The remaining surplus land at 150 Savannah Oaks Drive and 29 Tallgrass Court require additional activities to be completed prior to disposition that include:

- Issue another RFP for Real Estate Brokerage Services
- Determine quantity & size of parcel(s)
- Finalize site design, including stormwater management
- Permission to Severe from City of Brantford
- Zoning By-Law Amendment Approval

4. Schedule

The project is progressing well with the next key milestone being the close of the Construction Management RFP on 2019-06-03 for the proposed renovations and expansion of the 150 Savannah Oaks property.

Schedule Overview

Milestone	Expected Completion
Close Construction Management RFP	June 3, 2019
Complete Evaluation and Award	End of June 2019
Receive Zoning By-Law Amendment	Q3 2019
Begin Construction on Site	Q3 2019
Submit for Site Plan Approval	Q3 2019
Administrative Move	Q4 2019 or Q1 2020
Receive Site Plan Approval	Q1 2020
Entire Facility in Service	Q4 2020

Procurement

Colliers, BPI, and the City's procurement department have created and issued an RFP for Construction Management services for the 150 Savannah Oaks renovation and expansion. This RFP was issued on May 9th and closes on June 3rd.

Following the close, Colliers, BPI, and the City require a few weeks to review the submissions and determine who the successful proponent is, but we expect to have a Contractor secured in June of 2019.

To be able to award the contract to the Construction Manager in June of 2019 and allow them to immediately begin the work of procuring the Consultants and other sub-contractors, BPI on the recommendation of Colliers is requesting that the Board provide delegated authority to BPI's CEO to approve the award of the contract to the Construction Manager and also approve the award of the Construction Management sub-contracts, provided that certain minimum requirements are met.

A memo with the proposed resolutions has been attached to this report as Appendix A.

Municipal Approvals

As reported previously, the 150 Savannah Oaks Drive property is not zoned for open storage, a key component of BPI's ability to operate from this facility.

Through a competitive process, BPI has retained the services of GSP Group as their planner to prepare a Zoning By-law Amendment application that was confirmed to be received by the City of Brantford on 2019-04-03. This application has been "deemed complete" and has been circulated to city staff. City planning is expecting to have this on the agenda for the August 6th Committee of the Whole meeting, and then also at the Council meeting on August 27th. Following Council's decision, a 20-day appeal period would be in place prior to the decision being final.

5. Next Steps

Prior to the June Board meeting, Management and Colliers plan to have the following completed:

- Construction Management RFP
  - Close the RFP
  - Review the submissions
  - Prepare a recommendation to award
  - Award to a successful vendor
- Issue the RFP for Real Estate Brokerage Services for 179 Garden Ave and the ground floor suite of 150 Savannah Oaks Drive

6. Appendix A - Request for Delegated Authority for CM Procurement

BPI Management, based upon the recommendation of Colliers, is requesting that the CEO of Brantford Power Inc have delegated authority to approve the award of the Construction Management contract as well as approve the award of the sub-contracts procured by the Construction Manager on BPI's behalf.

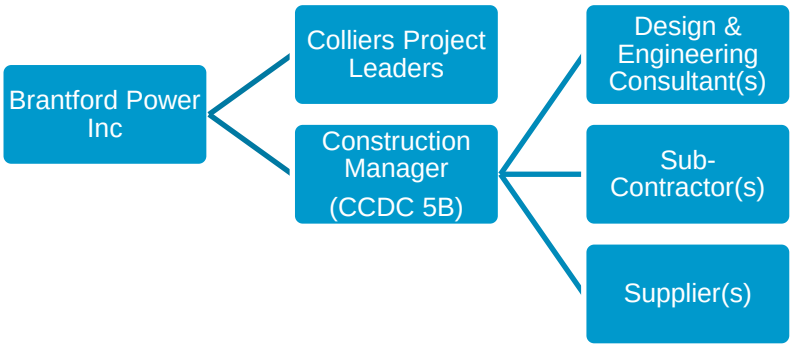
Background

Following the purchase of 150 Savannah Oaks Drive, BPI with assistance from Colliers and City Purchasing have issued a Request for Proposals for Construction Management Services and Construction. This RFP was issued on 2019-05-09 and is scheduled to close on 2019-06-03.

Construction Management

Construction Management is a form of contract where a construction firm is hired prior to completion of the design to provide key advice during the design process to facilitate complicated projects and improve schedule adherence.

As the design is not yet complete, the initial contract value for the Construction Manager is based upon the known items including the estimating, procurement, construction administration, health and safety, site supervision, and construction project management but does not include the value of the actual construction work including the cost of the labour and materials by the electrical, mechanical, structural, civil, and consultants.



Procurement by Construction Manager

Lists of Recommended Vendors

As opposed to both Design Build and Stipulated Sum contracts where the Owner has very little to no influence into the composition of the project team, in Construction

Management the Owner has the ability to require the Construction Manager to follow a set process for determining who is allowed to submit prices for the work.

In some cases, this has led to the Construction Manager having no control over who is selected to construct the project, and this in turn opens up the possibility of claims against the Owner if or when the performance of a vendor becomes an issue, including bankruptcy of a vendor.

The process that Colliers developed and has included in the Construction Management RFP requires public advertisements of upcoming work as well as the requirement for the Construction Manager to consider the responses to this public advertisement when preparing their lists of recommended vendors. This will be primarily done through the generally accepted industry online bidding platforms such as Biddingo and Building Connected.

Colliers is of the opinion that this procedure balances the requirement to provide opportunity to as many vendors as possible, while still being able to hold the Construction Manager responsible for the overall delivery of the project. This procedure will streamline the procurement of the consultants and sub-contractors and eliminates a single risk point towards completing the project in 2020.

Selection Criteria and Process

Once the Construction Manager's list of recommended vendors has been approved by BPI for each package of work, a competitive procurement will be performed by the Construction Manager with the minimum requirement that 3 prices or proposals be provided. In most cases this will require a list of 4-5 vendors for each aspect of the work.

In the cases where three prices cannot be obtained, the Construction Manager will be required to request approval from BPI to proceed, providing evidence and justification as to why more prices cannot be obtained or backup documenting why the price provided is fair and reasonable for the package of work.

Distribution of Submissions

To provide another layer of transparency, all procurements by the Construction Manager will be done electronically with a copy of the submissions being sent to BPI and/or Colliers. This will improve competitiveness of the bids and provide another level of oversight of the Construction Manager's activities.

Resolutions

Resolution #1

That the CEO of Brantford Power Inc is authorized to award the Construction Management agreement to the successful proponent as a result of the public competitive procurement performed by the City of Brantford's procurement department.

Approval of this delegated authority is subject to the limitation that the value of the initial contract of the Construction Manager does not exceed $1.5 million. Should the RFP result in values beyond this limitation the Chair of the Board will be consulted for direction.

Resolution #2

That the CEO of Brantford Power Inc is authorized to approve the Construction Manager award sub-contracts to consultants and sub-contractors following the completion of a competitive procurement process where a minimum of 3 prices are received. When 3 prices cannot be obtained, the Construction Manager will be required to request approval in advance from the CEO of Brantford Power Inc prior to initiating the procurement.

Approval of this delegated authority is subject to the limitation that the sum-total value of the initial contracts with the vendors procured by the Construction Manager does not exceed $15 million. As these sub-contracts will be entered into progressively, BPI with the assistance of Colliers will be providing regular updates to the Board on the status of the procurements and awards by the Construction Manager.

BPI-1906-002

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811349-0022(1.0).docx
Project:	BPI/Savannah Oaks	Date:	2019-06-20
Period:	Project Status Report – June 2019		

1. Project Dashboard

Current Project Phase: Procurement

Status	Overall	Scope	Budget	Schedule
Last update to Board (2019-05-16)	Low	No	Low	Mid
Current update to Board (2019-06-19)	Low	No	Low	Mid

Overall Status

The project has proceeded on schedule over the last month. As indicated in the previous report, BPI & Colliers have closed the RFP for the Construction Manager and is in the final stages of negotiation and clarification prior to awarding the contract. Also BPI has closed the Real Estate Broker RFP and is finalizing the evaluation on the submissions for imminent award. In terms of the municipal approvals, the Zoning By-law Amendment has been confirmed for the August Committee of the Whole meeting as previously reported, and the discussions regarding the Emergency Operations Centre (EOC) on site and Energy+'s agreements have progressed well.

2. Scope

Note: This section has been unchanged from the previous report and is included for reference.

There are no foreseen issues with the scope of the project. As discussed previously the intent of the renovations and expansion to the 150 Savannah Oaks property is to achieve the same level of operational performance that was included in the original design for the Garden Ave site, prior to the extensive value engineering exercise undertaken.

The key components of the scope for the Savannah Oaks Project are as follows:

- Office
  - Repair wear and tear items
  - Perform any required disruptive maintenance
  - Provide for secure access and fire exits for the various suites planned for the space
  - Ensure all IT and AV equipment is functional and ready for use by BPI
- Technical Development Centre (TDC)
  - Demolish all remaining Westcast specific items
  - Construct new operations areas for BPI and Energy+ including full lockers and showers
  - Construct two bay vehicle service area
  - Install warehouse racking
  - Modifying the HVAC as required to suit the new use
  - Install roll up doors as required
- Yard
  - Create an outdoor storage yard including landscaped berms
  - Construct security fencing
  - Construct two new vehicle garages, a fueling station, a communications tower, and a loading dock.

Agreement between E+ and BPI

As noted in the last report, the revised letter of agreement has been approved by Energy+. The letter of agreement commits Energy+ to be a tenant within a defined range of lease rates based upon our class D estimate.

BPI has presented the joint use agreement to E+ on May 28, 2019. BPI has received comments from E+ on this and have made positive traction in the shared service areas of mechanics & vehicle maintenance, as well as fuel. BPI & E+ are working through the details of the shared service model specific to warehousing and procurement.

3. Proposed Budget

Note: There have not been any significant changes to the budget since the last report and the proposed budget remains unchanged. The following is unamended from the previous report.

Please note that the proposed budget assumes that BPI will net $2.8 million from the sale of surplus land at a conservative estimated sale price of $200,000 per acre.

This proposed budget will continue to be refined with actual costs and updated estimates over the next few months prior to BPI and Colliers recommending that the budget be formally approved.

#	Description	Proposed Budget	Contingency[1]	Total
1	Soft Costs	$822,500	$124,000	$946,500
2	Construction	$13,375,000	$3,815,000	$17,190,000
3	Furniture, Fixtures, & Equipment	$740,000	$111,000	$851,000
4	Permits and Fees	$376,280	$50,000	$426,280
5	Land Purchase	$9,017,020	$0	$9,017,020
6	Garden Ave Transferred Costs	$377,416	$0	$377,416
	Total Project Budget	**$24,708,216**	**$4,100,000**	**$28,808,216**

As communicated previously, the Construction Manager will be requested to provide updated estimates on a monthly basis. Following the award of the Construction Manager they will begin the preparation of their first estimate which is expected in July of 2019.

Financing

Since the last report there have been no material developments to the financing for the project. We are not aware of any impact to the project schedule or budget as a result of the financing agreement. However, the following is an update on two related elements:

Financing – Although the primary loan has been put in place, BPI still needs to execute the interest rate swap necessary to lock in now the rate that will be in place around October 2020 when the current construction variable loan is converted to the permanent loan for the 150 Savannah Oaks project. Management expects to finalize these steps in the coming weeks. Based on the rates in effect this week the interest rate swap would approximate 3%, This instrument will lock in BPI's interest rate exposure for 25 years.

150 Savannah Oaks Appraisal – Management has received a draft report from the property appraisal. Management is currently validating the assumptions and confirming that the findings and rationale are based on accurate facts and circumstances. Early indications are that the appraised value of the underlying land will be allocated an

[1] These contingency amounts are included in the proposed budget amounts and are specific to the level of variability in the budget items

appraised value exceeding 50% of the purchase price. Once Management has completed its review and the report is finalized, a more complete update will be provided.

Operationalizing 150 Savannah Oaks

Facility Maintenance

BPI has created a preliminary draft of the annual maintenance budget. BPI is finalizing their first month of operations and are balancing minimizing the ongoing operating costs while ensuring the building is maintained without any damage.

Yard Size

Note: This has been carried forward unchanged from the previous report:

BPI re-initiated communication between the executives of the two operating groups for BPI and Energy+ that included on on-site tour. This restarted the discussion specific to the merits of indoor storage and maximizing the use of the warehouse and minimizing the size of the yard. These groups will continue to work together through the design of the project.

Real Estate Update

179 Garden Ave & Ground Floor Suite

Following the Board's approval, management amended the RFP to include the ability to separate the award of the land sale and the space lease. Management then issued the amended RFP for brokerage services to the approved vendors and received 3 submissions.

The 3 submissions are currently being evaluated and management intends to award the work by the end of June 2019 as indicated in the previous report. As stated previously the intent is to have the two properties listed for sale/lease as soon as possible.

A further update will be provided at the Board meeting.

Brokerage RFP summary table:

Invited Proponent	Sale of Land	Lease of Office
CBRE Limited	Proposal received	Proposal received
Coldwell Banker	Declined to participate	Declined to participate
Colliers International	Proposal received	Declined to participate
Re/Max Twin City Realty	Proposal received	Proposal received

150 Savannah Oaks Drive & 29 Tallgrass Court

Note: this is carried forward from the previous report:

The remaining surplus land at 150 Savannah Oaks Drive and 29 Tallgrass Court require additional activities to be completed prior to disposition that include:

- Issue another RFP for Real Estate Brokerage Services
- Determine quantity & size of parcel(s)
- Finalize site design, including stormwater management
- Permission to Severe from City of Brantford
- Zoning By-Law Amendment Approval

4. Schedule

The project is progressing well with the next key milestone being the award of the Construction Management RFP for the proposed renovations and expansion of the 150 Savannah Oaks property.

We also received confirmation from the City of Brantford that the Zoning By-Law Amendment is on the agenda for the August Committee of the Whole meeting.

Schedule Overview

Milestone	Expected Completion
Close Construction Management RFP	June 3, 2019
Complete Evaluation and Award	End of June 2019
Receive Zoning By-Law Amendment	Q3 2019
Begin Construction on Site	Q3 2019

Milestone	Expected Completion
Submit for Site Plan Approval	Q3 2019
Administrative Move	Q4 2019 or Q1 2020
Receive Site Plan Approval	Q1 2020
Entire Facility in Service	Q4 2020

Procurement

The Construction Management RFP closed on schedule on June 3rd and following a review of the mandatory submission criteria, 4 proponents' submissions were qualified to proceed.

Following the evaluation of the submissions from the 4 proponents, BPI has identified a recommended proponent but are finalizing the details of the agreement with the Construction Manager. It is BPI's and Collier's intention to confirm the successful proponent at the Board meeting.

Municipal Approvals

The City has confirmed that our application is on the agenda for the August Committee of the Whole meeting and BPI, GSP, and Colliers have responded to a few questions on the submission.

As part of the Zoning By-Law Amendment process it has been identified that the City may require a traffic study as part of the subsequent Site Plan Approval submission and Colliers has proceeded to request quotes from vendors to complete this work in advance and maintain our schedule for the Site Plan Approval.

As noted previously, the Zoning By-Law Amendment would need to be passed at the August 6th Committee of the Whole meeting, and then also at the Council meeting on August 27th. Assuming Council approves this, a mandatory 20-day appeal period would be in place prior to the decision being binding.

5. Next Steps

While there are no immediate meetings scheduled for the Board in July and August, we will provide a similar written update to the Board by the end of July.

The immediate next steps for Management and Colliers are:

- Retain the Construction Manager by the end of June
- Retain a Brokerage firm or firms for the sale of 179 Garden Ave and the lease of the ground floor suite of 150 Savannah Oaks Drive
- Work with the Construction Manager to obtain the following by the end of July 2019:
    - Procurement Plan
    - Construction Estimate
    - Construction Schedule

BPI-1907-002

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811349-0032(1.0).docx
Project:	BPI/Savannah Oaks	Date:	2019-07-26
Period:	Project Status Report – July 2019		

1. Project Dashboard

Current Project Phase: Procurement

Status	Overall	Scope	Budget	Schedule
Last update to Board (2019-06-19)	Low	No	Low	Mid
Current update to Board (2019-07-26)	Low	No	Low	Mid

Overall Status

The project has proceeded on schedule over the last month. BPI has awarded the Construction Management scope of work to Ball Construction and Ball has issued procurement documents for the Architect which will close shortly after the Board meeting. Also BPI has awarded the brokerage service for the lease of the office space at 150 Savannah Oaks and the sale of the land on Garden Ave. In terms of the municipal approvals, the Zoning By-law Amendment has been confirmed for the August Committee of the Whole meeting as previously reported, and the discussions regarding the Emergency Operations Centre (EOC) on site and Energy+'s agreements have progressed well.

2. Scope

Note: This section has been unchanged from the previous report and is included for reference.

There are no foreseen issues with the scope of the project. As discussed previously the intent of the renovations and expansion to the 150 Savannah Oaks property is to achieve the same level of operational performance that was included in the original design for the Garden Ave site, prior to the extensive value engineering exercise undertaken.

The key components of the scope for the Savannah Oaks Project are as follows:

- Office
  - Repair wear and tear items
  - Perform any required disruptive maintenance
  - Provide for secure access and fire exits for the various suites planned for the space
  - Ensure all IT and AV equipment is functional and ready for use by BPI
- Technical Development Centre (TDC)
  - Demolish all remaining Westcast specific items
  - Construct new operations areas for BPI and Energy+ including full lockers and showers
  - Construct two bay vehicle service area
  - Install warehouse racking
  - Modifying the HVAC as required to suit the new use
  - Install roll up doors as required
- Yard
  - Create an outdoor storage yard including landscaped berms
  - Construct security fencing
  - Construct two new vehicle garages, a fueling station, a communications tower, and a loading dock.

Agreement between E+ and BPI

As noted in the last 2 reports, the revised letter of agreement has been approved by Energy+. The letter of agreement commits Energy+ to be a tenant within a defined range of lease rates based upon our class D estimate.

BPI has presented the proposed calculations for the lease rate with Energy+ and has received some preliminary feedback on these.

BPI has presented the joint use agreement to E+ on May 28, 2019. BPI has received comments from E+ on this and have made positive traction in the shared service areas of mechanics & vehicle maintenance, as well as fuel. BPI & E+ are working through the details of the shared service model specific to warehousing and procurement.

3. Proposed Budget

Note: There have not been any significant changes to the budget since the May report and the proposed budget remains unchanged. The following is unamended from the previous report.

Please note that the proposed budget assumes that BPI will net $2.8 million from the sale of surplus land at a conservative estimated sale price of $200,000 per acre.

This proposed budget will continue to be refined with actual costs and updated estimates over the next few months prior to BPI and Colliers recommending that the budget be formally approved.

#	Description	Proposed Budget	Contingency[1]	Total
1	Soft Costs	$822,500	$124,000	$946,500
2	Construction	$13,375,000	$3,815,000	$17,190,000
3	Furniture, Fixtures, & Equipment	$740,000	$111,000	$851,000
4	Permits and Fees	$376,280	$50,000	$426,280
5	Land Purchase	$9,017,020	$0	$9,017,020
6	Garden Ave Transferred Costs	$377,416	$0	$377,416
	Total Project Budget	**$24,708,216**	**$4,100,000**	**$28,808,216**

As communicated previously, the Construction Manager will be requested to provide updated estimates on a monthly basis. BPI has met with Ball and they are on track to provide a Class C estimate late August following the completion of a preliminary schematic design, which is following the award of the Architect.

Financing

- **Financing** – BPI has executed a 25-year interest rate swap at a locked in rate of 2.54% plus a stamping fee of 0.55%, resulting in an effective rate of 3.09%. This instrument will lock in BPI's interest rate exposure for 25 years effective September 30, 2020 and maturing on September 30, 2045.
- **150 Savannah Oaks Appraisal** – Minor revisions have been made to the draft property appraisal report based on management's review of the assumptions and findings. A final report is expected in the upcoming weeks which should indicate that the underlying land will be allocated an appraised value of approximately 65% of the purchase price.

[1] These contingency amounts are included in the proposed budget amounts and are specific to the level of variability in the budget items

Operationalizing 150 Savannah Oaks

Facility Maintenance

BPI has created a preliminary draft of the annual maintenance budget. BPI is finalizing their first month of operations and are balancing minimizing the ongoing operating costs while ensuring the building is maintained without any damage. BPI has also taken the results of the first month's electrical bills and amended the schedules and setpoints for the units to reduce the operational costs.

Yard Size

Note: This has been carried forward unchanged from the May report:

BPI re-initiated communication between the executives of the two operating groups for BPI and Energy+ that included on on-site tour. This restarted the discussion specific to the merits of indoor storage and maximizing the use of the warehouse and minimizing the size of the yard. These groups will continue to work together through the design of the project.

Real Estate Update

Sale of 179 Garden Ave

As communicated at the last Board meeting, BPI has awarded the brokerage services for the sale of 179 Garden Ave to CBRE. Prior to finalizing, BPI has had a legal review of the contract and CBRE has commenced the initial marketing of the property. CBRE will be undertaking a modified tender process as outlined below.

End July	Offering Launch Date
Mid September	Initial Bid Due Date
Late September	2nd Round Bid Due Date
End September	Primary Buyer Identified
Early October	Agreement of P&S Executed, Conditional timeline begins (if any)
Late October	30-Day Conditional Period Due Date
Late November	15-30 Day Closing After Waiver of Conditions

Lease of Ground Floor Suite

Also as communicated in the last Board meeting, BPI has followed through with onboarding Re/Max Twin City (Re/Max). The listing agreement has been reviewed by BPI's legal and Re/Max has performed a site visit.

Re/Max provided the following proposed lease rates for the entire 25,000 SF.

Area	Net Rent $/SF/Year	TMI $/SF/Year	Utility $/SF/Year	Total $/SF/Year	Total $/Year
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Also note Re/Max's marketing strategy to attract potential tenants that may be suitable for our space but may not require the entire 25,000 SF will result in adjustments to the net ret based upon the size of the area needed.

These rates were established based upon Re/Max's understanding of current market conditions and comparable properties; a review of other real estate brokerage firms proposals, and as a final point of due diligence they were confirmed by the City of Brantford's real estate department that they were appropriate.

Following this, BPI undertook a sensitivity analysis of the lease rates to determine an appropriate floor to recover direct costs. It was determined that any revenue in excess of [redacted] per year would cover all direct costs and have a positive effect on reducing indirect shared costs of the facility such as property taxes, insurance, and common area maintenance.

Based upon this, Management is requesting delegated authority from the Board of Directors to accept an offer to lease that is equal to or exceeds [redacted] / year.

150 Savannah Oaks Drive & 29 Tallgrass Court

Note: this is carried forward from the May report as there is no further update.

The remaining surplus land at 150 Savannah Oaks Drive and 29 Tallgrass Court require additional activities to be completed prior to disposition that include:

- Issue another RFP for Real Estate Brokerage Services
- Determine quantity & size of parcel(s)
- Finalize site design, including stormwater management
- Permission to Severe from City of Brantford
- Zoning By-Law Amendment Approval

4. Schedule

The project is progressing well with the next key milestone being the close of the Architect RFP process scheduled for August 2, 2019. Following the evaluation of the submissions and a consensus evaluation session, interviews will be held on Monday August 12, and award is expected shortly afterward.

There have been no changes to the schedule for the Zoning By-Law Amendment and BPI is still on the agenda for the August Committee of the Whole meeting.

Schedule Overview

Milestone	Expected Completion
CM Issued Architect RFP	July 19, 2019
CM Close Architect RFP	August 2, 2019
Architect Interviews	August 12, 2019
Receive Zoning By-Law Amendment	Q3 2019
Begin Construction on Site	Q3 2019
Submit for Site Plan Approval	Q3 2019
Administrative Move	Q4 2019 or Q1 2020
Receive Site Plan Approval	Q1 2020
Entire Facility in Service	Q4 2020

Procurement

As indicated above, Ball Construction Inc. (Ball) has been awarded the Construction Management scope of work for the project effective July 3, 2019 and have proceeded to begin the procurement of the Architect on BPI's behalf as agreed to at the Board meeting on May 22, 2019.

Since the last Board meeting we have moved to expedite the procurement of professional services to meet the time sensitive goals of the project. This work stream has progressed well for the last 4 weeks. Working closely with Colliers, Ball prepared an RFP and Scope of work for the Architect which was issued on July 19th. A site visit was held on July 24th to review the site and the proposed work with the proponents, and the procurement is scheduled to close on Friday August 2, 2019

Following the receipt of the submissions, BPI, Colliers, and Ball will review them and meet to establish consensus scores. Following that, an interview will be held with the proponents to clarify items in their proposal and meet the team that will be responsible for delivering the work. Following the interviews, the project team will re-assess their scoring and select the successful proponent. We expect this process to be completed shortly after the interviews on August 12th, and that the Architect will begin work later that week.

Municipal Approvals

In June we reported that the City has confirmed that our application is on the agenda for the August Committee of the Whole meeting.

Following this confirmation, City Planning requested some changes to the application which included more than doubling the size of the berms surrounding the site. This would have not only dramatically affected the cost of the proposed yard, it could also reduce the area available.

Working with GSP Group, our planner, BPI and Colliers pushed back to the city and after some additional clarification on the intent of the submission and the trees and shrubs proposed, City Planning accepted that the berms could be left at their original height.

As part of the Zoning By-law Amendment process a public meeting will be held on August 6th to gather public input on the proposed amendment.

As noted previously, the Zoning By-Law Amendment would need to be passed at the August 6th Committee of the Whole meeting, and then also at the Council meeting on August 27th. Assuming Council approves this, a mandatory 20-day appeal period would be in place prior to the decision being binding.

5. Next Steps

The immediate next steps for Management and Colliers are:

- Receive delegated authority from the Board of Directors to accept an offer to lease for the ground floor suite that is equal to or exceeds [redacted] / year.
- Continue & finalize operational needs with functional business owners from Brantford Power, Brantford Hydro, and Energy+
- Select the Architect:
    - Review the Architect proposals
    - Interview the proponents
    - Approve that Ball award the contract to the Architect
- Architect to prepare a preliminary schematic design
- Ball to prepare a preliminary class C estimate based upon the preliminary schematic design

BPI-1909-002

PROJECT STATUS REPORT

To:	Paul Kwasnik, CEO Brantford Power Inc.	Info:	
From:	Peter Vander Klippe, Project Manager, Colliers Project Leaders	Doc:	811349-0041(1.0).docx
Project:	BPI/Savannah Oaks	Date:	2019-09-20
Period:	Project Status Report – Sept 2019		

1. Project Dashboard

Current Project Phase: Design

Status	Overall	Scope	Budget	Schedule
Last update to Board (2019-07-26)	Low	No	Low	Mid
Current update to Board (2019-09-20)	Low	No	Low	Mid

Overall Status

The project has proceeded on schedule since the last update. The Architect has been retained and draft schematic designs have been received and reviewed and the building permit application for the office renovations is expected shortly.

At the Committee of the Whole (which is comprised of all members of City Council) meeting on August 6th the Zoning By-law Amendment was passed 11-0, but a new pre-requisite was added before final Council Approval can be obtained. The new pre-requisite is that the Application for Consent/Severance Approval to transfer land between the two parcels will need to be approved by the Committee of Adjustment. More details are in the schedule section below.

The overall change is that the completion of the Zoning By-law Amendment has been extended from Q3 2019 to Q1 2020. While this is a substantial delay in this activity, as this is not on the critical path this will not yet delay the project. This does introduce another risk variable into the approval process for the Zoning By-Law Amendment.

2. Scope

Note: This section has been unchanged however with the onboarding of the new Construction Manager and Designer the scope has been amended to combine the vehicle garages into a single garage based upon the approval of the operations groups from both utilities.

The intent of the renovations and expansion to the 150 Savannah Oaks property is to achieve the same level of operational performance that was included in the original design for the Garden Ave site, prior to the extensive value engineering exercise undertaken.

The key components of the scope for the Savannah Oaks Project are as follows:

- Office
  - Repair wear and tear items
  - Perform any required disruptive maintenance
  - Provide for secure access and fire exits for the various suites planned for the space
  - Ensure all IT and AV equipment is functional and ready for use by BPI
- Technical Development Centre (TDC)
  - Demolish all remaining Westcast specific items
  - Construct new operations areas for BPI and Energy+ including full lockers and showers
  - Construct two bay vehicle service area
  - Install warehouse racking
  - Modifying the HVAC as required to suit the new use
  - Install roll up doors as required
- Yard
  - Create an outdoor storage yard including landscaped berms
  - Construct security fencing
  - Construct new vehicle garage, a fueling station, a communications tower, and a loading dock.

Agreement between E+ and BPI

As noted in previous reports, the revised letter of agreement was been approved by Energy+. The letter of agreement commits Energy+ to be a tenant within a defined range of lease rates based upon our class D estimate.

BPI has presented the proposed calculations for the lease rate with Energy+ and Energy+ has accepted the methodology. Furthermore, both E+ and BPI have submitted their ICM rate applications to the OEB dealing with this proposed joint project.

BPI has presented the joint use agreement to E+ on May 28, 2019. BPI has received comments from E+ on this and have made positive traction in the shared service areas of mechanics & vehicle maintenance, as well as fuel. BPI & E+ continue to work through the details of the shared service model specific to warehousing and procurement.

Focus on this work competes with the 2020 IRM and ICM rate applications. With the completion of these applications BPI's resources can fully re-engage legal council and progress further on these agreements.

Agreement between BEC, BHI and BPI

As the project continues to develop, it is time to legally address the tenancy of BPI's two related parties BEC and BHI. Legal counsel is currently drafting a letter agreement with both related parties in keeping with the approach taken with E+ to bind BEC and BHI for their respective requirements in the new facility. The Board will receive a detailed separate report regarding these two letter agreements. As BEC and BHI are related parties, attention will need to be given to the shared service agreement requirements of the Affiliate Relationships Code to ensure BPI compliance obligations are addressed.

3. Cost

The proposed budget for the project remains unchanged.

Below is an update comparing the proposed budget to the commitments to date. As of this writing we are finalizing the initial schematic design for the facility and will be receiving a Class C estimate from the Construction Manager before the October Board meeting. An update on the class C estimate will be provided at the October Board meeting.

Proposed Budget

#	Description	Proposed Budget
1	Soft Costs	$831,000
2	Construction	$17,053,626
3	Furniture, Fixtures, & Equipment	$851,000
4	Permits & Fees	$426,280
5	Land Purchase	$9,017,020
6	Transferred Costs	$490,589
	TOTALS	**$28,669,515**

Appraisal

A final report relating to the appraisal of 150 Savannah Oaks has been received and was filed with RBC as the lender and included as evidence in the recently filed ICM rate application. The appraisal opinion from Jacob Ellens & Associates Inc. can be summarized as follows:

As a result of our investigations and analysis it is our considered opinion that the market value estimate of the subject property, as at May 7, 2019, is:

29 Tallgrass Court	$1,210,000
Excess Land	$2,340,000
Improved Portion	$8,900,000
Total Market Value	**$12,450,000**

Based on this appraised value, the allocated value to the 150 Savannah Oaks parcel totals $11,240,000 represented by land of 64% or $6,770,000 and building at $36% or $4,470,000. These percentages have been used to allocate the actual purchase price of $11,550,000 to the respective accounts. In addition to providing the necessary details to account for the acquisition, this appraisal provides further evidence supporting the prudency of the price paid as the market value exceeds the price paid by $900,000.

Financing

With the previously reported issuance of the interest rate swap – the financing transaction is complete. What remains is for BPI to request cash flow draws when required and roll over any Bankers' Acceptance advances every 90 days. BPI has not requested any additional advances since the initial $12 million request. Management anticipates a further advance before the end of the year to fund any capital cost incurred since the property was acquired.

4. Schedule

The critical path items in the schedule are progressing well with the next key milestone being the submission of the building permit for the office renovations which is targeted for Early October.

The only significant change to the schedule is the delay in the Zoning By-Law Amendment due to the new pre-requisite to complete the Application for Consent/Severance Approval prior to receiving final Council approval.

Schedule Overview

Milestone	Expected Completion	Actual Completion
Award Construction Management Contract to Ball Construction Inc.	End June 2019	July 3, 2019
Award Prime Consultant Contract to SRM Architects Inc.	Mid Aug 2019	Aug 15, 2019
Submit Building Permit application for Office Renovations	Early Oct 2019	
Submit application for consent/severance approval	Oct 18, 2019	
Begin Office Renovations on Site	Q4 2019	
Receive approval from Committee of Adjustment on the Application for Consent/Severance Approval	Dec 18, 2019	
Council approval of Zoning By-Law Amendment	Q1 2020	
Submit remaining Building Permit Applications	Q4 2019 to Q1 2020	
Receive Zoning By-Law Amendment	was Q3 2019 now Q1 2020	
Submit for Site Plan Approval	was Q3 2019 now October 2019	
Administrative Move	Q1 2020	
Receive Site Plan Approval	Q1 2020	
Entire Facility in Service	Q4 2020	

Municipal Approvals

On August 6th the Committee of the Whole, which is made up of Council in it's entirety, passed the Zoning By-Law Amendment 11 to 0.

But based upon Planning Staff's recommendation, this approval included a new pre-requisite that requires the Committee of Adjustment's approval of the Application of Consent/Severance Approval for the transfer of land from 29 Tallgrass Court to 150 Savannah Oaks Drive to be completed prior to receiving final approval of the Zoning By-law by Council.

Based upon the progression of the design we were unable to finalize the lot size prior to the next Committee of Adjustment deadline which was September 13th and are now targeting submission on or before the next submission deadline of October 18th. Provided that there are no issues with our submission, we should receive approval of the Application of Consent/Severance Approval at the December 18th Committee of Adjustment meeting which would allow the final approval of the Zoning By-Law to be

added to the agenda for the first Council meeting of 2020, which is assumed to be scheduled in late January.

While this process is taking dramatically longer than originally anticipated, based upon the existing schedule for the Site Plan Approval we do not believe this will have any impact on the overall schedule for the project. This does introduce another risk variable into the approval process for the Zoning By-Law Amendment.

Despite the delay, as an offset the issues experienced, at the conclusion of this process the Tallgrass court parcel will be severed and ready for divestment.

Procurement

Since the last Board meeting Ball has retained SRM Architects Inc as the Prime Consultant. SRM was the successful proponent following the procurement procedure approved by the Board and described in our previous report.

Ball has provided a draft pre-tender advertisement for Colliers and BPI's review and expects to have this published in the next few weeks. This ad will provide an opportunity for local contractors to express their interest in the project and be considered for work.

5. Operationalizing 150 Savannah Oaks

Facility Maintenance

BPI continues to maintain the facility with an eye to minimize costs while maximizing longevity. The overall operational costs are being monitored on a weekly basis.

BPI is also planning on hosting all of their employees at the site early next month to give the employees a view of the facility prior to the commencement of the construction and renovation. To facilitate that meeting BPI has moved ahead to do some degree of cleaning and housekeeping in addition to ensuring the washrooms are fully functional.

Yard Size

To progress with the design of the site, tours of the existing yards in Brantford and Cambridge have been completed with the new design team. A conceptual design showing the garage configuration and yard layout has been received, reviewed, and approved by the operations groups from both utilities. The yard size has been further rationalized to maintain adequate storage while maximizing the size of the surplus land at 29 Tallgrass Court.

Real Estate Update

Sale of 179 Garden Ave

Initial bid due date has been extended to late September to increase participation based upon feedback from the market following the summer months. Initial report is that there is an encouraging level of interest. Further information will be provided at the board meeting in anticipation of a meeting with CBRE. Management is on track to divest the property before the end of 2019.

Below is an update to the overall timeline for the sale of the Garden Ave property:

July 28, 2019	Offering Launch Date
Sept 30, 2019	Initial Bid Due Date
Early October	2nd Round Bid Due Date
Early October	Primary Buyer Identified
Mid October	Agreement of P&S Executed, Conditional timeline begins (if any)
Mid November	30-Day Conditional Period Due Date
Mid December	15-30 Day Closing After Waiver of Conditions

Lease of Ground Floor Suite

The office space continues to be marketed by RE/MAX Twin City to their network and a large sign has been hung from the exterior of the building facing the 403. As of this writing there has been no specific leads for the lease of the property and RE/MAX has not recommended any changes to the approach.

The agent and BPI recognize that this may be an effort that spans over an extended period of time. This is a unique space that will require a tenant with specific requirements and at this time a course correction is not required.

150 Savannah Oaks Drive & 29 Tallgrass Court

Note: this is carried forward from the May report as there is no further update.

The remaining surplus land at 150 Savannah Oaks Drive and 29 Tallgrass Court require additional activities to be completed prior to disposition that include:

- Issue another RFP for Real Estate Brokerage Services
- Determine quantity & size of parcel(s)
- Finalize site design, including stormwater management
- Permission to Severe from City of Brantford
- Zoning By-Law Amendment Approval

6. Next Steps

The immediate next steps for Management and Colliers are:

- Ball to prepare a preliminary class C estimate based upon the preliminary schematic design
- Continue & finalize operational needs with functional business owners from Brantford Power, Brantford Hydro, and Energy+
- Submit Application for Consent/Severance Approval to the Committee of Adjustment
- Kick off meeting with Move Management consultant
- Finalize the pre-tender advertisement and publish it
- Finalize the schematic design for the warehouse and operations space

Interrogatory Attachment D

CBRE Reports

ABOUT CBRE

ABOUT CBRE

CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (in terms of 2013 revenue). The Company has approximately 37,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting.

In Canada, CBRE Limited employs approximately 1,850 people in 24 locations from coast to coast. With 23 employees, including 14 Sales Professionals, the Waterloo Region office services the markets of Kitchener, Waterloo, Elmira, Guelph, Stratford, Cambridge and Brantford.

ABOUT CBRE

- Global Corporate Services
- Occupier Services and Agency Services
- Transaction and Portfolio Services
- Global Research & Consulting
- Capital Markets
- Financial Consulting Group

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- Valuation & Advisory Services
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- Financial Consulting Group

- Occupier Services and Agency Services
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- Occupier Services and Agency Services
- Capital Markets
- Global Corporate Services
- Global Research & Consulting
- Transaction and Portfolio Services

- Capital Markets

- Facilities Management
- Asset Services

- Global Corporate Services
- Project Management

TEAM STRUCTURE

EXECUTIVE OVERSIGHT

Andy Wright
Executive Vice President, Industrial Practice Leader

LOCAL OVERSIGHT

Peter Whatmore
Senior Vice President & Managing Director

MARKET RESEARCH

Cameron Woolfrey
Research Associate

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LOCAL TEAM

Mitchell Blaine
Vice President

Mallory Weldon
Sales Representative

Chris Kotseff
Sales Associate

Duncan Webster
Sales Representative

TEAM EXPERIENCE

- Strongest Industrial Team in SW Ontario – more transactions than any other local team
- Recognized as one of Top Teams in Canada for CBRE and top Individual performer for SW Ontario
- Completed over 850 transactions and 12 million square feet in transactions since 2003
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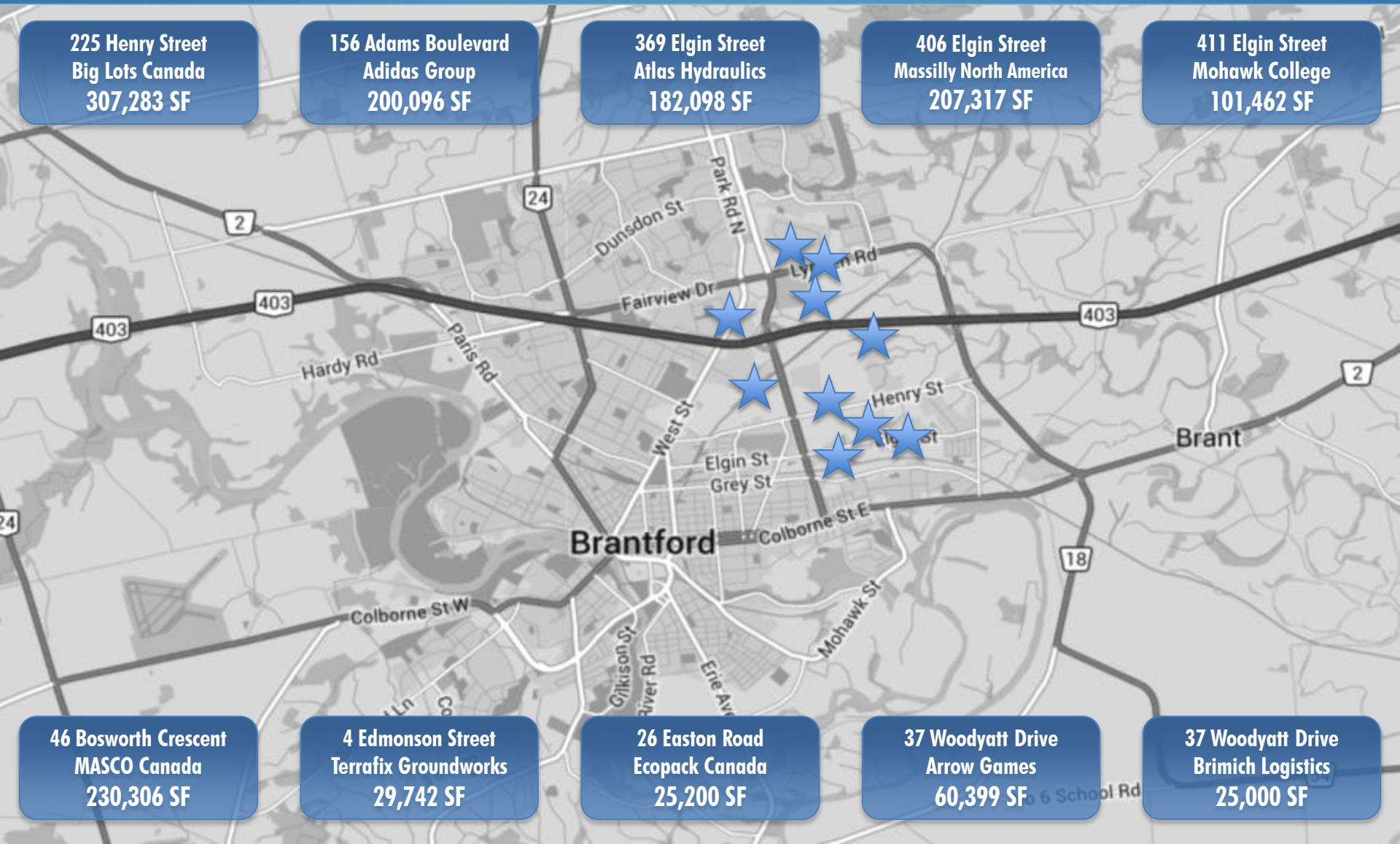
- Extensive knowledge of users pursuing opportunities in Southern Ontario
- Strong understanding of the local and surrounding area industrial real estate markets
- Member of CBRE's Special Properties Group

BRANTFORD power

RELEVANT EXPIERENCE



RELEVANT EXPIERENCE

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150,000 SF

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302,000 SF

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60,000 SF

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63,000 SF

1280 Balmoral Road - Lease
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92.1 Acres

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406 Elgin Street - Sale
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1,000,000 SF

1 Mitten Court - Sale
141,000 SF

4 Edmondson Street – Sale
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Bishop Street N - Sale
23.1 Acres

305 Romeo Street – Sale
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800 Wilson Avenue – Lease/Sale
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1245 Franklin Blvd - Lease
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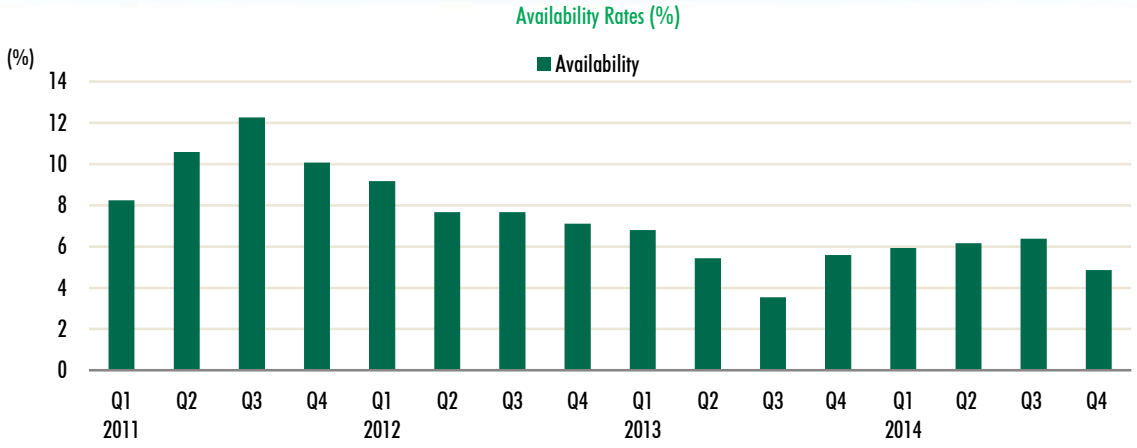
111,000 SF

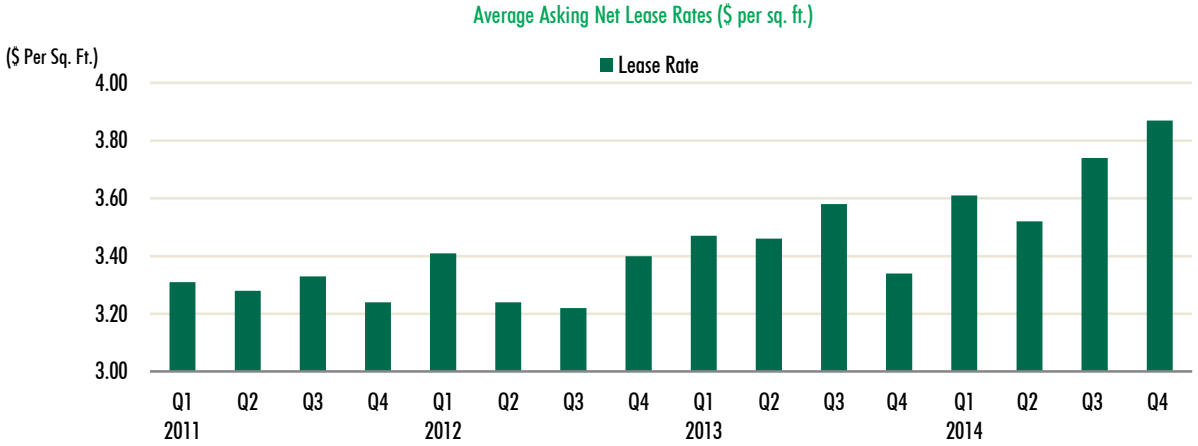
369 Elgin Street - Sale
183,000 SF

520 Beards Lane – Lease
75,000 SF

MARKET OVERVIEW

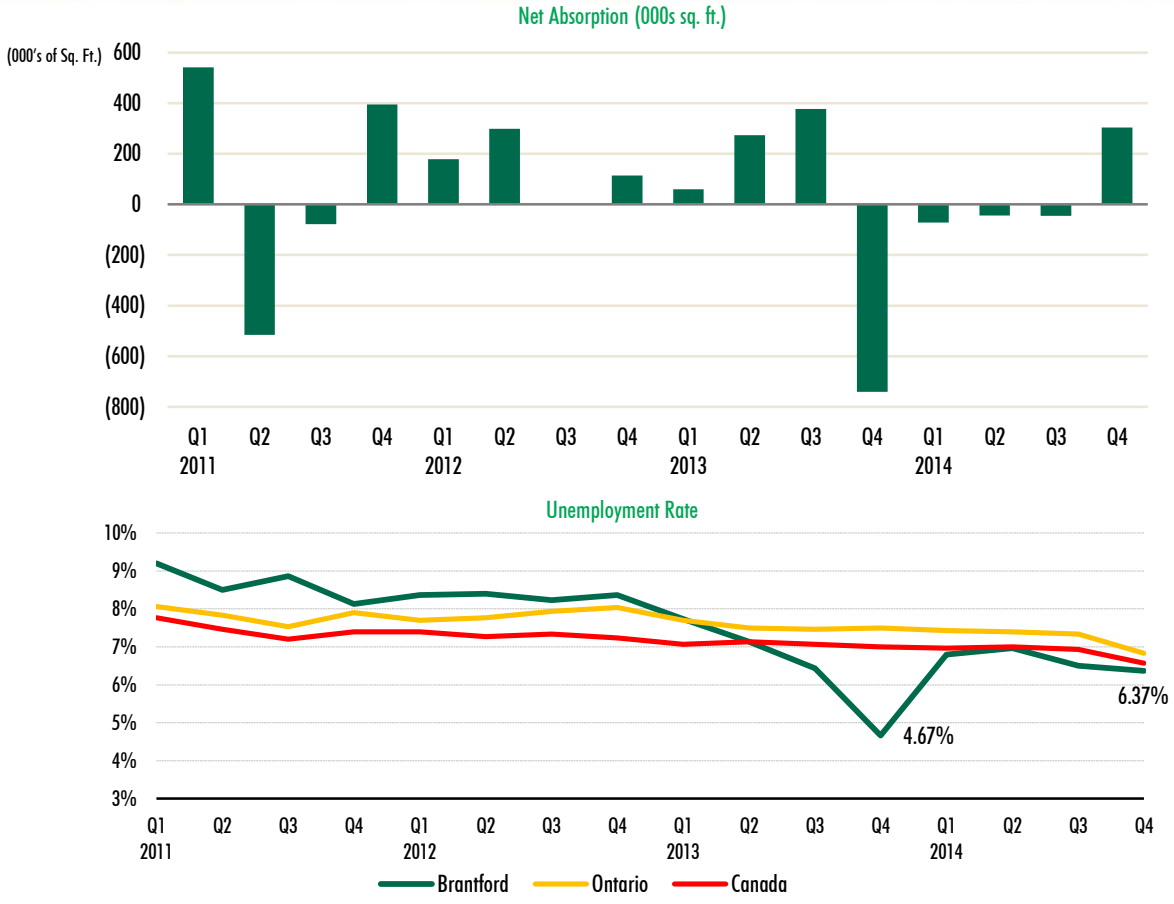
THE MARKET





Source: CBRE Research, Q4 2014.

THE MARKET


Net Absorption (000s sq. ft.)
(000's of Sq. Ft.)
600
400
200
0
(200)
(400)
(600)
(800)
Q1 2011
Q2
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Q3
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Q1 2014
Q2
Q3
Q4
Unemployment Rate
10%
9%
8%
7%
6%
5%
4%
3%
4.67%
6.37%
Q1 2011
Q2
Q3
Q4
Q1 2012
Q2
Q3
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Q1 2013
Q2
Q3
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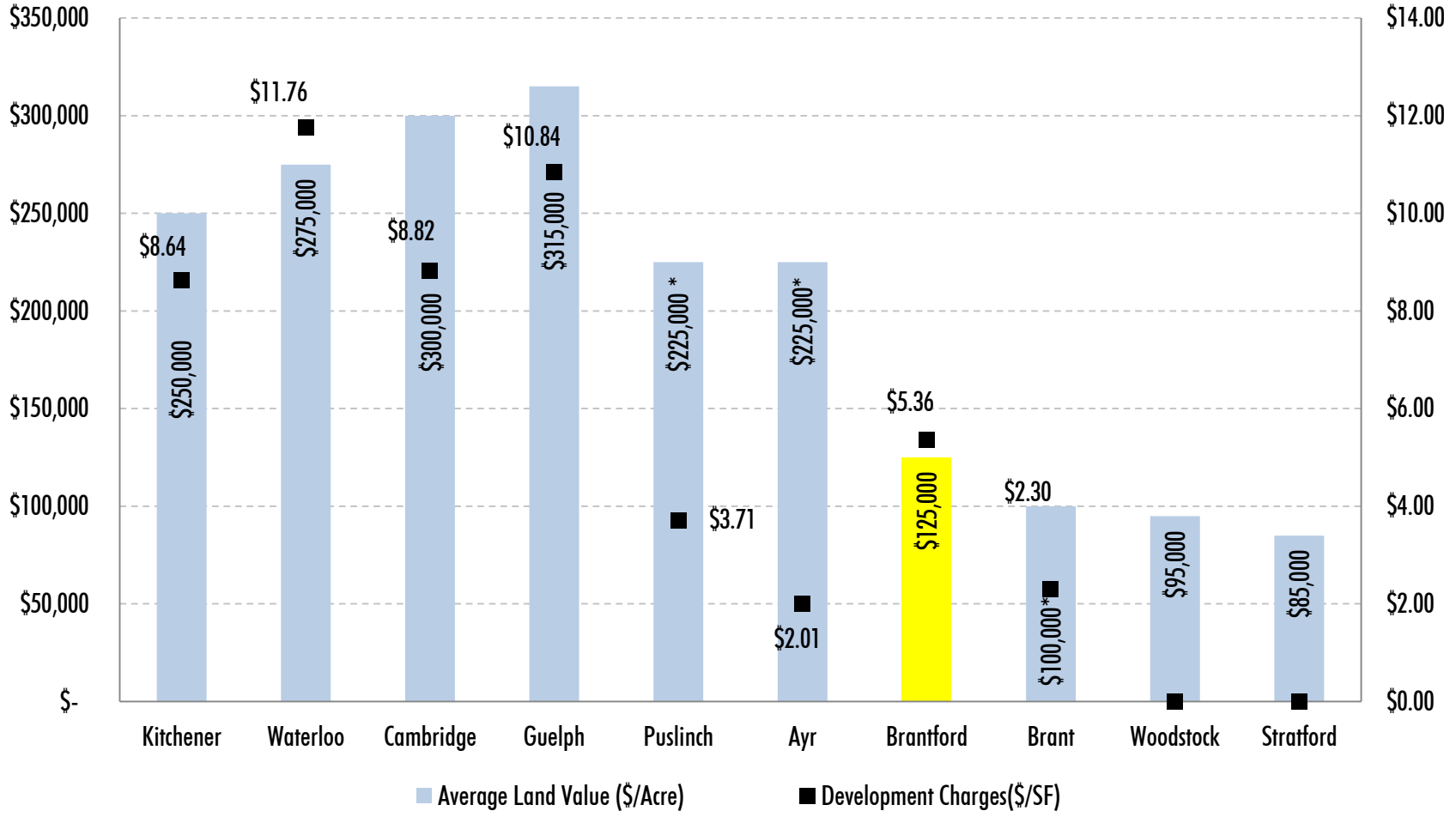
Q1 2014
Q2
Q3
Q4
Brantford
Ontario
Canada

THE MARKET



* Dry Industrial Land

AVAILABILITIES

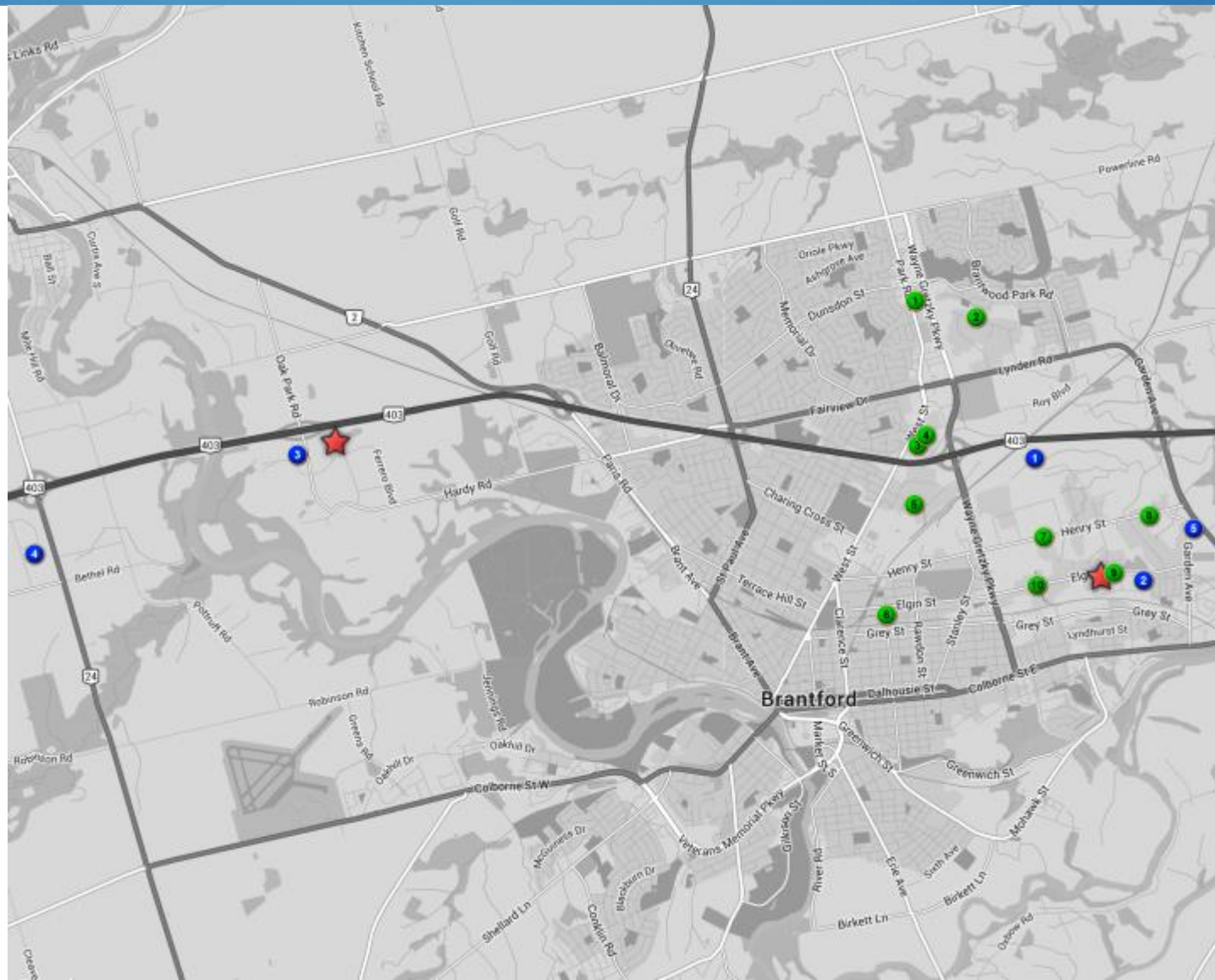
AVAILABILITIES

- 150 Savannah Oaks Drive
- 435 Elgin Street
- 505 Park Road N
- 67 Copernicus Boulevard
- 4 Edmonson Street
- 565 West Street
- 47 Morton Avenue E
- 124 Bruce Street
- 286 Henry Street
- 418 Henry Street
- 444 Elgin Street
- 373 Elgin Street
- 155 Adams Boulevard
- 521 Elgin Street
- Fen Ridge Court
- Folsetter Drive
- Garden Avenue

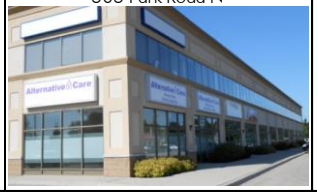
Primary Candidates

Existing Buildings

Greenfield / Land



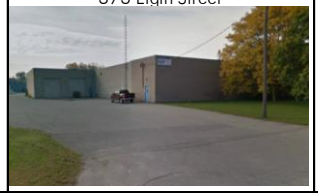
EXISTING OPPORTUNITIES

Map	Property	City	Avail. SF	Office SF	Zone	Clear Ht	Loading Doors	Lot Size	Power	Avail. Date	Asking Price	$/SF	Comments
♦	150 Savannah Oaks Drive 	Brantford	105,200	Two Buildings 68,000 SF office 36,400 SF flex	M-3-5	TBA	TBA	41.00	600V 1,200A	Immediate	$16,995,000	$161.55	Built in 2002, this premier facility features modern amenities with excess land for future development. Very close proximity to Hwy. 403.
♦	435 Elgin Street 	Brantford	18,916	18,916	M-2	N/A	N/A	4.61	N/A	Immediate	$1,950,000	$103.09	Office building available for owner/occupier/investor. Well maintained building with excess land that can be severed.
1	505 Park Road N 	Brantford	28,299	28,299	C-8	N/A	N/A	2.00	N/A	Immediate	$4,500,000	$159.02	Well maintained two storey office building with exposure on main roadways. Partially tenanted (BDO, Ont . Gov't) Elevator access.
2	67 Copernicus Boulevard 	Brantford	21,000	TBA	M-2	TBA	2 T/L 3 D/I	1.99	TBA	Immediate	$1,395,000	$66.43	Multi-unit modern industrial building located close to 403. Building is comprised of eight units with only one vacant. All tenants are on long term leases.

EXISTING OPPORTUNITIES

Map	Property	City	Avail. SF	Office SF	Zone	Clear Ht	Loading Doors	Lot Size	Power	Avail. Date	Asking Price	$/SF	Comments
3	4 Edmonson Street 	Brantford	29,742	7,302	M1-18	21'	1 T/L 1 D/I	5.50	600V 600A	Negotiable	$1,850,000	$62.20	Clean industrial facility on large lot. Zoning allows for many uses. High exposure with quick access to Hwy #403.
4	565 West Street 	Brantford	59,450	TBA	M-2	TBA	4 T/L 1 D/I	1.34	600V 1,000A	Immediate	$1,750,000	$29.44	Industrial building with ample power and ample clear height. Quick access to Hwy #403. Building can be split for tenants.
5	47 Morton Avenue E 	Brantford	45,474	3,211	M-2	18' - 30'	4 T/L 2 D/I	5.50	Heavy TBA	Immediate	$2,273,700	$50.00	Heavy manufacturing/warehousing facility with high ceilings. Fully sprinklered with heavy power. M-2 zoning allows for outside storage. Building is also equipped with a 5 ton crane. Quick access to Hwy 403.
6	418 Henry Street 	Brantford	43,400	2,615	M-2	18' - 24'	3 T/L 1 D/I	4.50	600V 200A	Immediate	$2,500,000	$57.60	Excellent Building 1 minute to Hwy #403. Pre-engineered building. 3 acres of land beside building for expansion or trailer storage. Fully sprinklered.

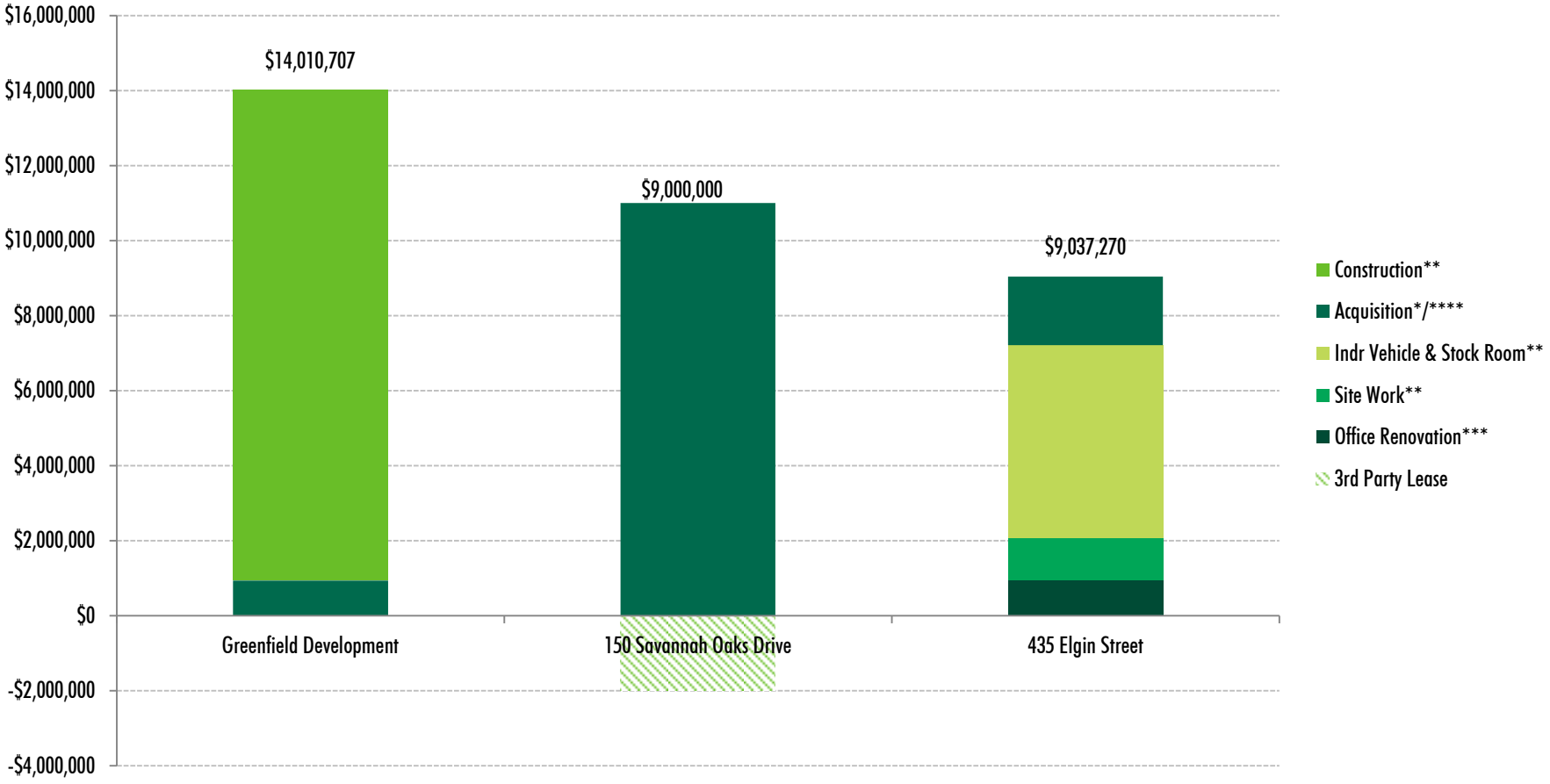
EXISTING OPPORTUNITIES

Map	Property	City	Avail. SF	Office SF	Zone	Clear Ht	Loading Doors	Lot Size	Power	Avail. Date	Asking Price	$/SF	Comments
7	124 Bruce Street 	Brantford	25,185	0	M-2	16' - 19'	3 T/L 2 D/I	1.25	600V 1,000A	Negotiable	$1,175,000	$46.65	Warehouse facility. Outside storage, partially fenced, large yard area.
8	286 Henry Street 	Brantford	31,200	0	M-2	24"	4 T/L 4 D/I	TBA	600V 1,000A	TBA	$2,775,000	$88.94	Attractive new build currently under construction within Brantford Industrial Park. Up to four (4) 7,800 SF tenants. Dock level & Drive in Loading Available.
9	444 Elgin Street 	Brantford	40,317	3,830	M-2	14"	3 T/L 1 D/I	2.87	600V 5,000A	Immediate	$1,890,000	$46.88	40,600 sq. ft. freestanding industrial building. Clean interior, well maintained. High profile location.
10	373 Elgin Street 	Brantford	39,844	TBA	M-2	16' - 18'	TBA	4.40	600V 400A	Immediate	$1,950,000	$48.94	Investment opportunity with in place tenant until 2019. Large site with ample outside storage and yard space.

LAND OPPORTUNITIES

Map	Property	City	Avail. Acres	Zone	Avail. Date	Asking Price	$/SF	Comments
1	155 Adams Boulevard 	Brantford	17.08	M-2	Immediate	$1,877,500	$109,924	17.08 Acre industrial land site with Highway #403 exposure. M2 zoning allows for a variety of industrial and commercial uses.
2	521 Elgin Street 	Brantford	8.32	M-2	Immediate	$720,000	$86,538	Level industrial lot in great location. 2 Minutes to highway, and city services are at lot line. 8.32 Acres, great opportunity to make use of large land size to develop for many uses under current zoning.
3	Lt 32 Fen Ridge Court 	Brantford	11.18	M-3	Immediate	$1,397,500	$125,000	Shovel ready development land for sale close to Highway #403.
4	Pt 10 Folsetter Drive 	Brantford	6.22	Industrial	Immediate	$777,500	$125,000	Industrial building with ample power and ample clear height. Quick access to Hwy #403. Building can be split for tenants.
5	Pt 3 Garden Drive 	Brantford	15.00	M-2	Immediate	$2,625,000	$175,000	Heavy manufacturing/warehousing facility with high ceilings. Fully sprinklered with heavy power. M-2 zoning allows for outside storage. Building is also equipped with a 5 ton crane. Quick access to Hwy 403.

COST COMPARISON



*Greenfield acquisition based on average per acre cost of development land
**Based on AECOM Space Requirement Report
***Based of $50 per sq. ft. of existing footprint
****2.5 acres acquired from neighbour at $150,000/acre

WHO WE ARE

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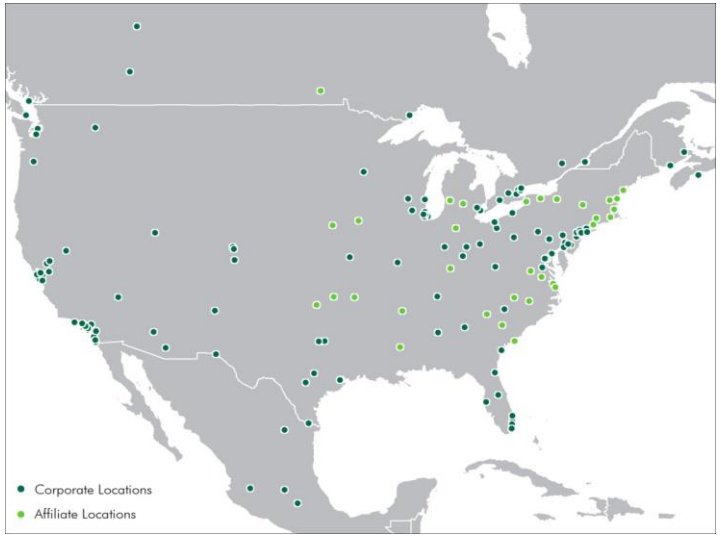
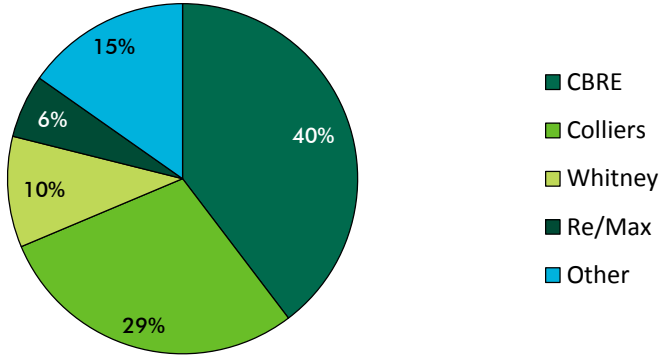


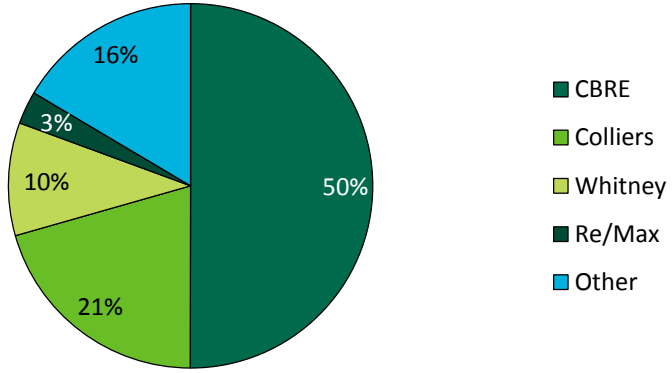
LOCAL MARKET SHARE

The local CBRE Team is an industry leader in industrial real estate brokerage. The Team consistently holds the greatest market share for both completed transactions and active listings.

INDUSTRIAL TRANSACTIONS (by SF, 2 years back)



ACTIVE INDUSTRIAL LISTINGS (by SF)



TEAM STRUCTURE

EXECUTIVE OVERSIGHT

Andy Wright
Executive Vice President, Industrial Practice Leader

LOCAL OVERSIGHT

Peter Whatmore
Senior Vice President & Managing Director

MARKET RESEARCH

Cameron Woolfrey
Research Associate

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CBRE

LOCAL TEAM

Mitchell Blaine
Vice President

Mallory Weldon
Sales Representative

Chris Kotseff
Sales Associate

Duncan Webster
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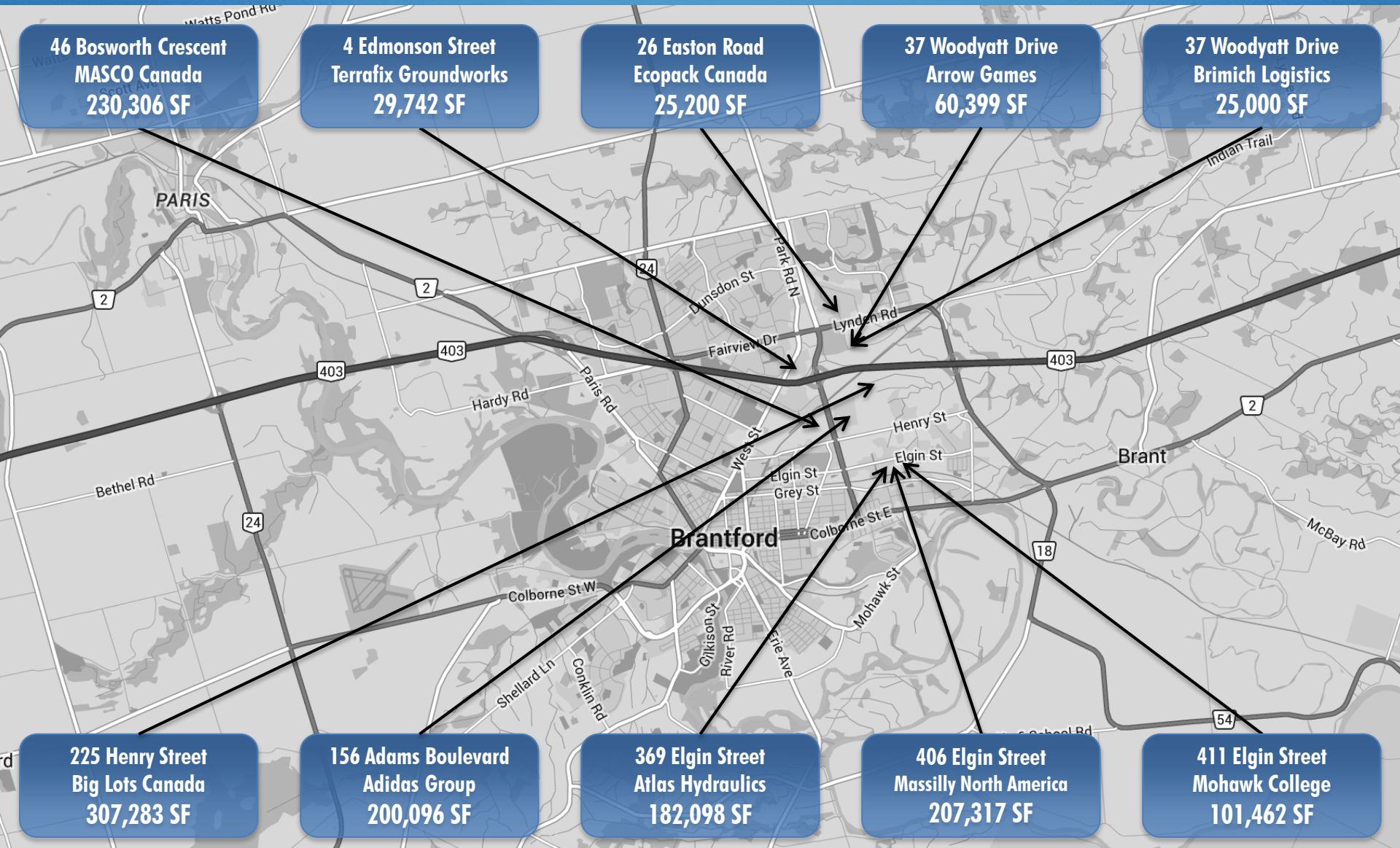
BRANTFORD power — Your delivery company

RELEVANT EXPIERENCE



RELEVANT EXPIERENCE

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150,000 SF

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255 Pinebush Road - Lease
60,000 SF

32 Airpark Road - Sale
63,000 SF

1280 Balmoral Road - Lease
58,000 SF

2855 Greenfield - Sale
92.1 Acres

441 Henry Street - Lease
45,000 SF

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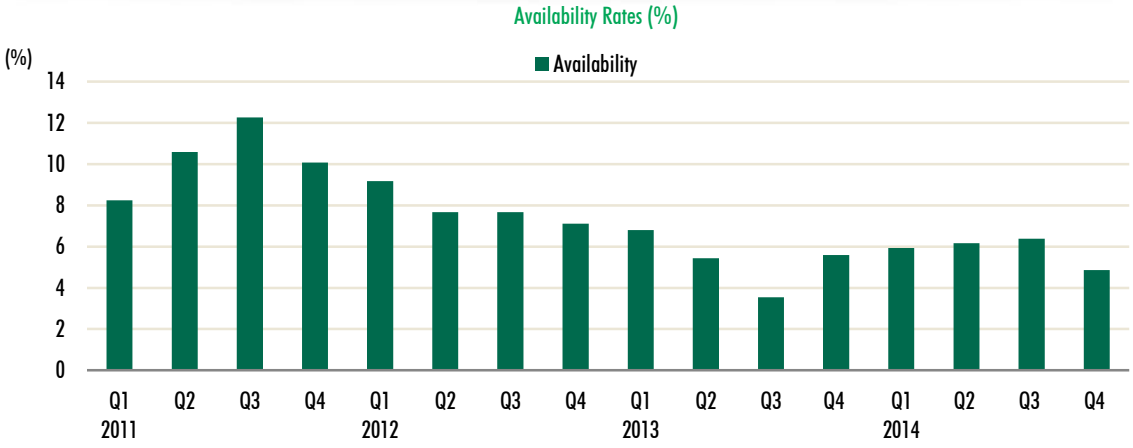
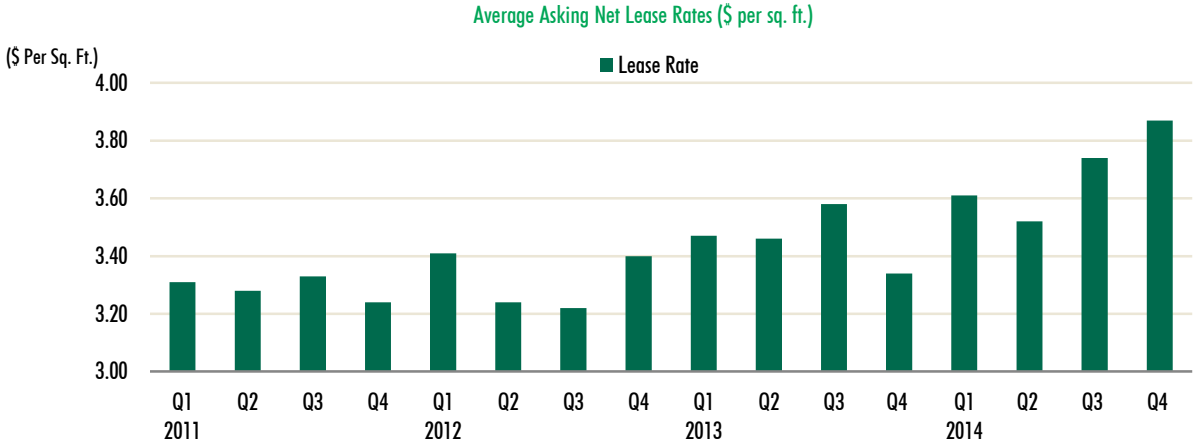
MARKET OVERVIEW

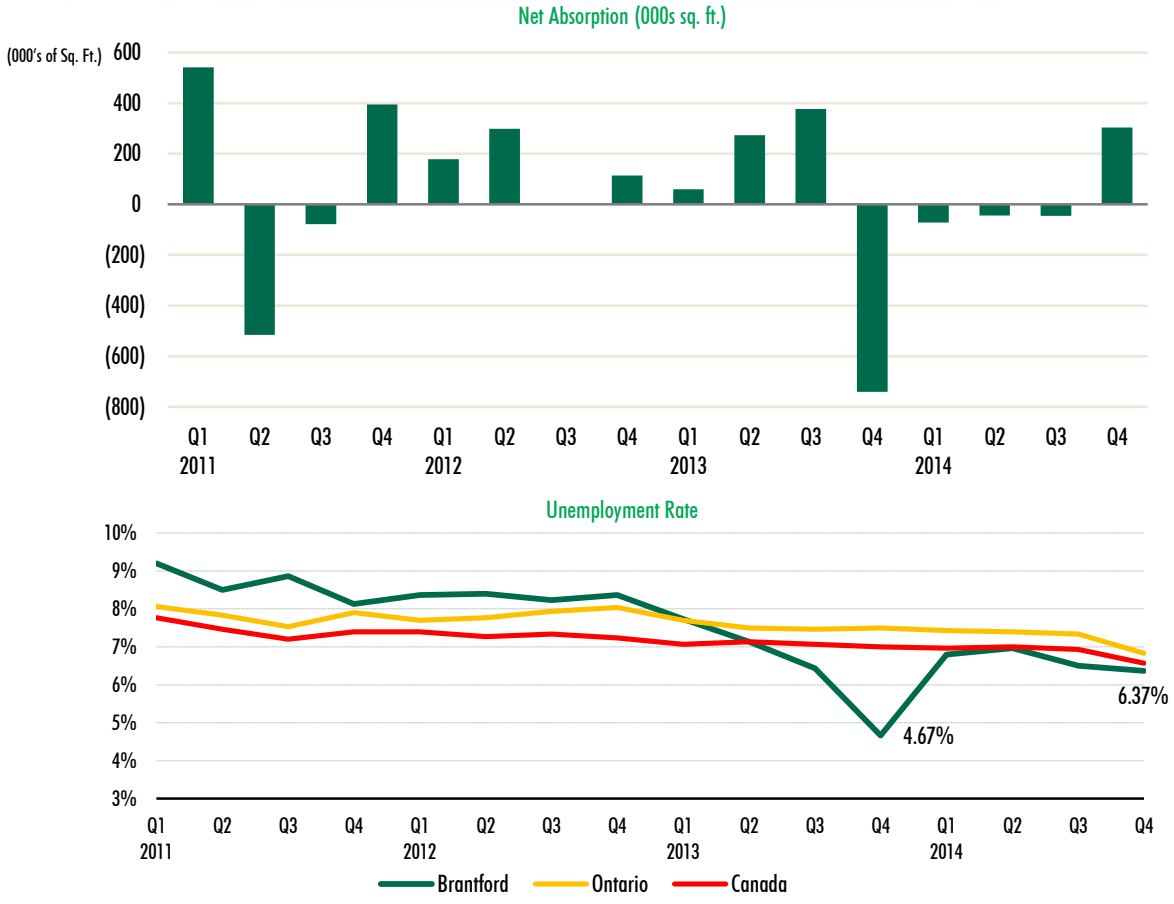
THE MARKET



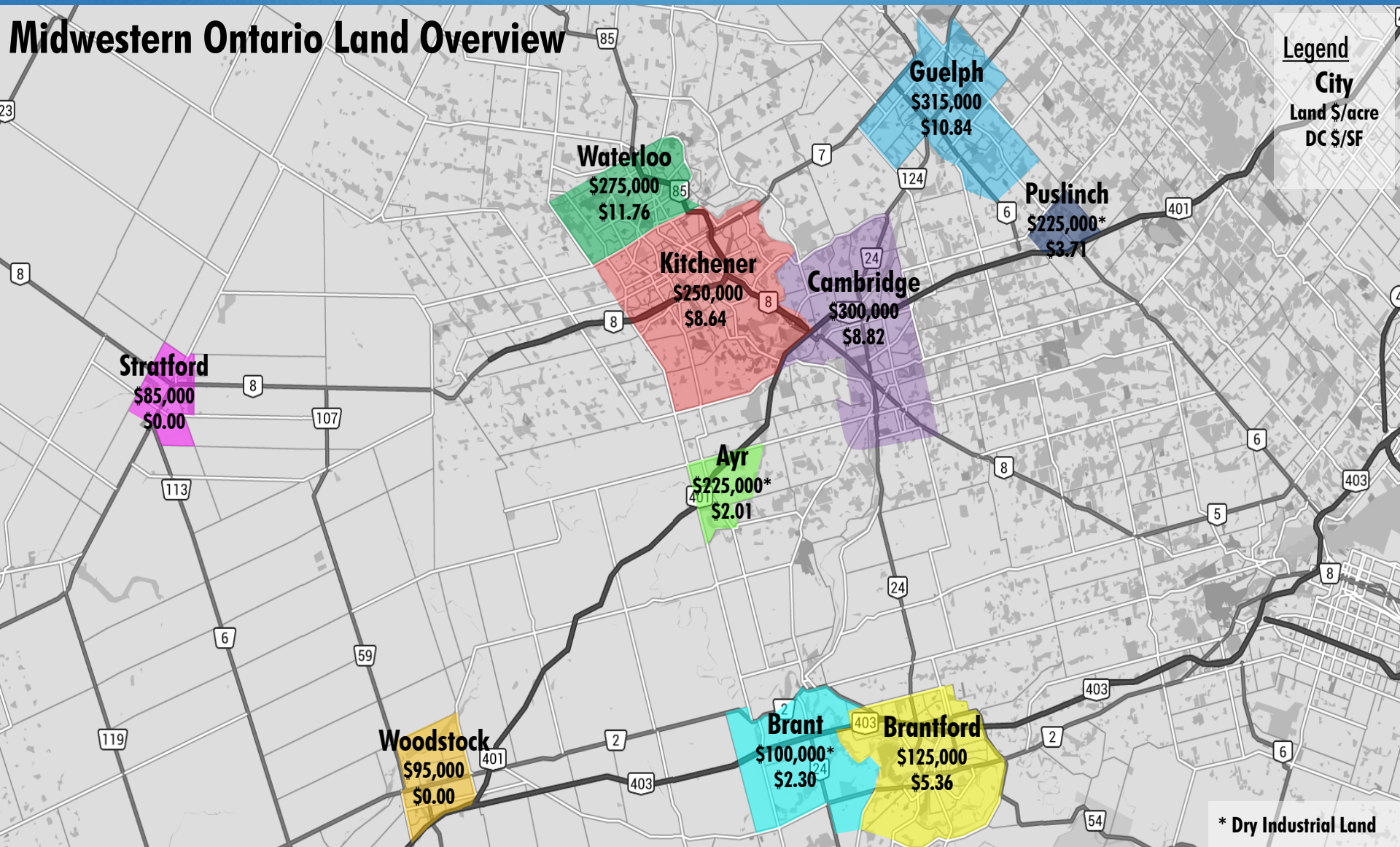


Source: CBRE Research, Q4 2014.

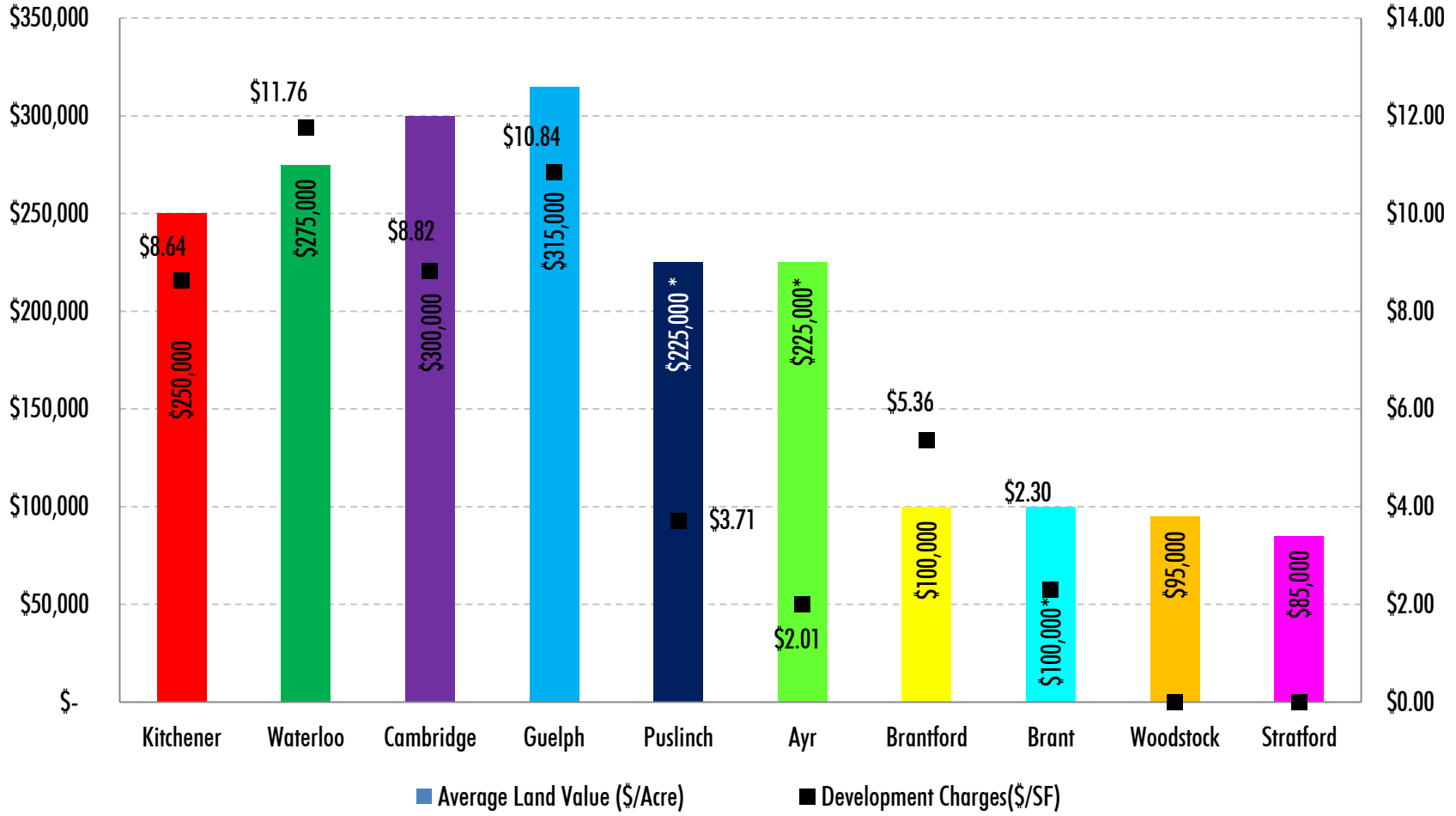
THE MARKET


Net Absorption (000s sq. ft.)
(000's of Sq. Ft.)
600
400
200
0
(200)
(400)
(600)
(800)
Q1 2011
Q2
Q3
Q4
Q1 2012
Q2
Q3
Q4
Q1 2013
Q2
Q3
Q4
Q1 2014
Q2
Q3
Q4
Unemployment Rate
10%
9%
8%
7%
6%
5%
4%
3%
4.67%
6.37%
Brantford
Ontario
Canada

THE MARKET


Midwestern Ontario Land Overview
Legend
City
Land $/acre
DC $/SF
Guelph
$315,000
$10.84
Waterloo
$275,000
$11.76
Puslinch
$225,000*
$3.71
Kitchener
$250,000
$8.64
Cambridge
$300,000
$8.82
Stratford
$85,000
$0.00
Ayr
$225,000*
$2.01
Woodstock
$95,000
$0.00
Brant
$100,000*
$2.30
Brantford
$125,000
$5.36
* Dry Industrial Land

THE MARKET

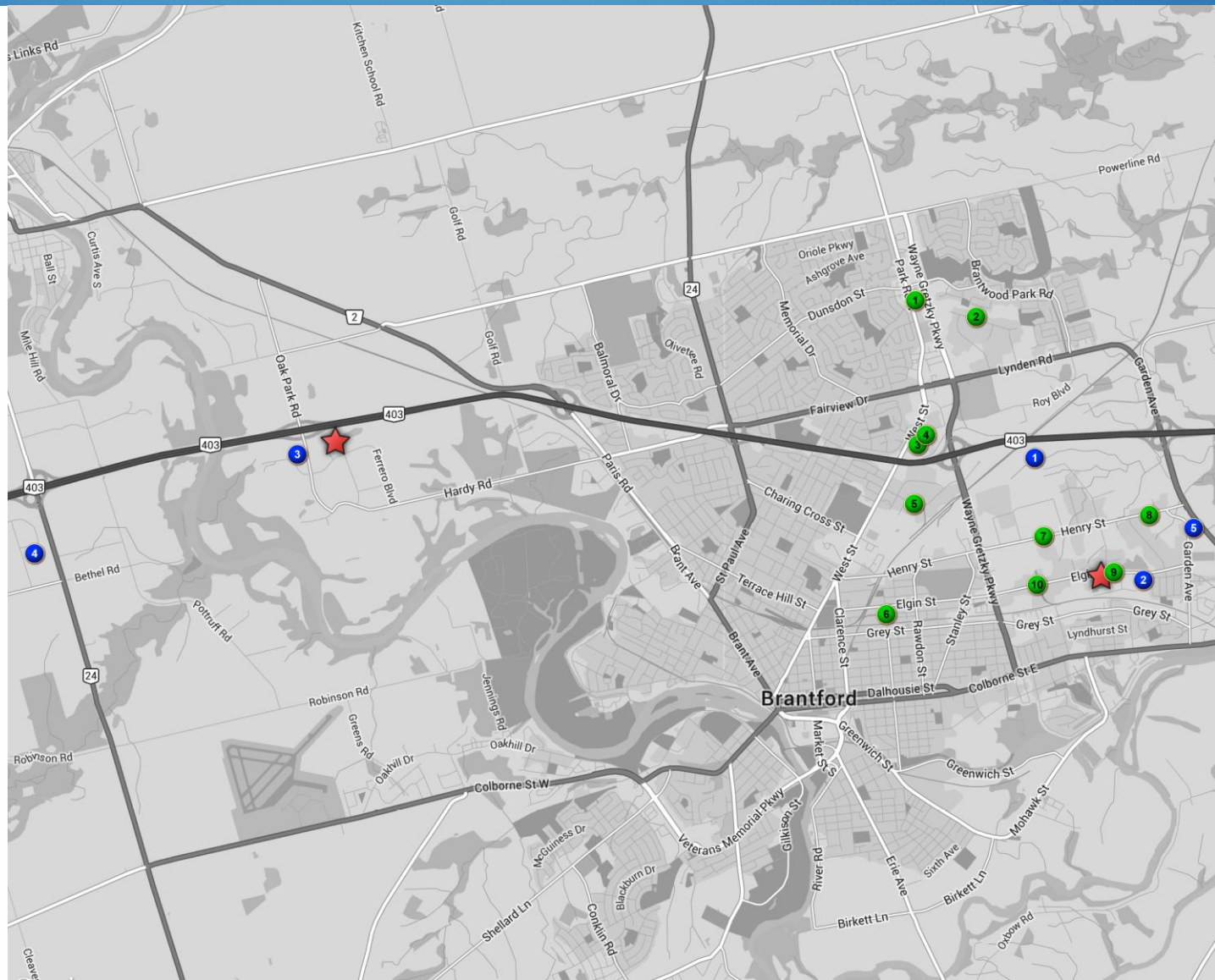


* Dry Industrial Land

OPPORTUNITIES

OPPORTUNITIES

- 150 Savannah Oaks Drive
- 435 Elgin Street
- 1 505 Park Road N
- 2 67 Copernicus Boulevard
- 3 4 Edmonson Street
- 4 565 West Street
- 5 47 Morton Avenue E
- 6 124 Bruce Street
- 7 286 Henry Street
- 8 418 Henry Street
- 9 444 Elgin Street
- 10 373 Elgin Street
- 1 155 Adams Boulevard
- 2 521 Elgin Street
- 3 Fen Ridge Court
- 4 Folsetter Drive
- 5 Garden Avenue



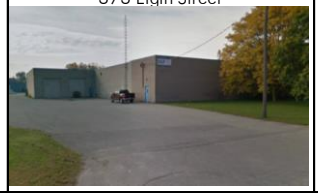
EXISTING OPPORTUNITIES

Map	Property	City	Avail. SF	Office SF	Zone	Clear Ht	Loading Doors	Lot Size	Power	Avail. Date	Asking Price	$/SF	Comments
♦	150 Savannah Oaks Drive 	Brantford	105,200	Two Buildings 68,000 SF office 36,400 SF flex	M-3-5	TBA	TBA	41.00	600V 1,200A	Immediate	$16,995,000	$161.55	Built in 2002, this premier facility features modern amenities with excess land for future development. Very close proximity to Hwy. 403.
♦	435 Elgin Street 	Brantford	18,916	18,916	M-2	N/A	N/A	4.61	N/A	Immediate	$1,950,000	$103.09	Office building available for owner/occupier/investor. Well maintained building with excess land that can be severed.
1	505 Park Road N 	Brantford	28,299	28,299	C-8	N/A	N/A	2.00	N/A	Immediate	$4,500,000	$159.02	Well maintained two storey office building with exposure on main roadways. Partially tenanted (BDO, Ont . Gov't) Elevator access.
2	67 Copernicus Boulevard 	Brantford	21,000	TBA	M-2	TBA	2 T/L 3 D/I	1.99	TBA	Immediate	$1,395,000	$66.43	Multi-unit modern industrial building located close to 403. Building is comprised of eight units with only one vacant. All tenants are on long term leases.

EXISTING OPPORTUNITIES

Map	Property	City	Avail. SF	Office SF	Zone	Clear Ht	Loading Doors	Lot Size	Power	Avail. Date	Asking Price	$/SF	Comments
3	4 Edmonson Street 	Brantford	29,742	7,302	M1-18	21'	1 T/L 1 D/I	5.50	600V 600A	Negotiable	$1,850,000	$62.20	Clean industrial facility on large lot. Zoning allows for many uses. High exposure with quick access to Hwy #403.
4	565 West Street 	Brantford	59,450	TBA	M-2	TBA	4 T/L 1 D/I	1.34	600V 1,000A	Immediate	$1,750,000	$29.44	Industrial building with ample power and ample clear height. Quick access to Hwy #403. Building can be split for tenants.
5	47 Morton Avenue E 	Brantford	45,474	3,211	M-2	18' - 30'	4 T/L 2 D/I	5.50	Heavy TBA	Immediate	$2,273,700	$50.00	Heavy manufacturing/warehousing facility with high ceilings. Fully sprinklered with heavy power. M-2 zoning allows for outside storage. Building is also equipped with a 5 ton crane. Quick access to Hwy 403.
6	418 Henry Street 	Brantford	43,400	2,615	M-2	18' - 24'	3 T/L 1 D/I	4.50	600V 200A	Immediate	$2,500,000	$57.60	Excellent Building 1 minute to Hwy #403. Pre-engineered building. 3 acres of land beside building for expansion or trailer storage. Fully sprinklered.

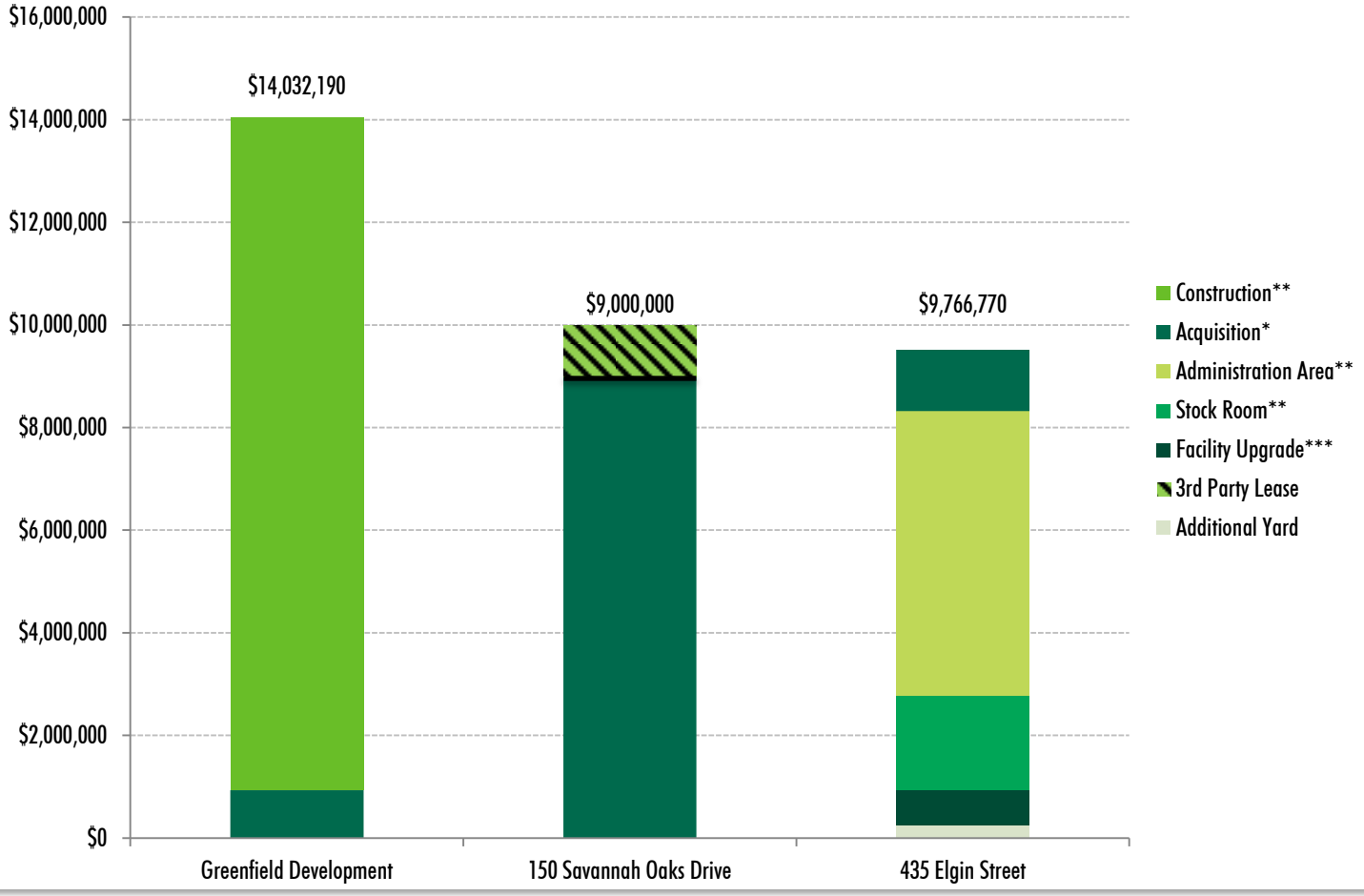
EXISTING OPPORTUNITIES

Map	Property	City	Avail. SF	Office SF	Zone	Clear Ht	Loading Doors	Lot Size	Power	Avail. Date	Asking Price	$/SF	Comments
7	124 Bruce Street 	Brantford	25,185	0	M-2	16' - 19'	3 T/L 2 D/I	1.25	600V 1,000A	Negotiable	$1,175,000	$46.65	Warehouse facility. Outside storage, partially fenced, large yard area.
8	286 Henry Street 	Brantford	31,200	0	M-2	24"	4 T/L 4 D/I	TBA	600V 1,000A	TBA	$2,775,000	$88.94	Attractive new build currently under construction within Brantford Industrial Park. Up to four (4) 7,800 SF tenants. Dock level & Drive in Loading Available.
9	444 Elgin Street 	Brantford	40,317	3,830	M-2	14"	3 T/L 1 D/I	2.87	600V 5,000A	Immediate	$1,890,000	$46.88	40,600 sq. ft. freestanding industrial building. Clean interior, well maintained. High profile location.
10	373 Elgin Street 	Brantford	39,844	TBA	M-2	16' - 18'	TBA	4.40	600V 400A	Immediate	$1,950,000	$48.94	Investment opportunity with in place tenant until 2019. Large site with ample outside storage and yard space.

LAND OPPORTUNITIES

Map	Property	City	Avail. Acres	Zone	Avail. Date	Asking Price	$/SF	Comments
1	155 Adams Boulevard 	Brantford	17.08	M-2	Immediate	$1,877,500	$109,924	17.08 Acre industrial land site with Highway #403 exposure. M2 zoning allows for a variety of industrial and commercial uses.
2	521 Elgin Street 	Brantford	8.32	M-2	Immediate	$720,000	$86,538	Level industrial lot in great location. 2 Minutes to highway, and city services are at lot line. 8.32 Acres, great opportunity to make use of large land size to develop for many uses under current zoning.
3	Lt 32 Fen Ridge Court 	Brantford	11.18	M-3	Immediate	$1,397,500	$125,000	Shovel ready development land for sale close to Highway #403.
4	Pt 10 Folsetter Drive 	Brantford	6.22	Industrial	Immediate	$777,500	$125,000	Industrial building with ample power and ample clear height. Quick access to Hwy #403. Building can be split for tenants.
5	Pt 3 Garden Drive 	Brantford	15.00	M-2	Immediate	$2,625,000	$175,000	Heavy manufacturing/warehousing facility with high ceilings. Fully sprinklered with heavy power. M-2 zoning allows for outside storage. Building is also equipped with a 5 ton crane. Quick access to Hwy 403.

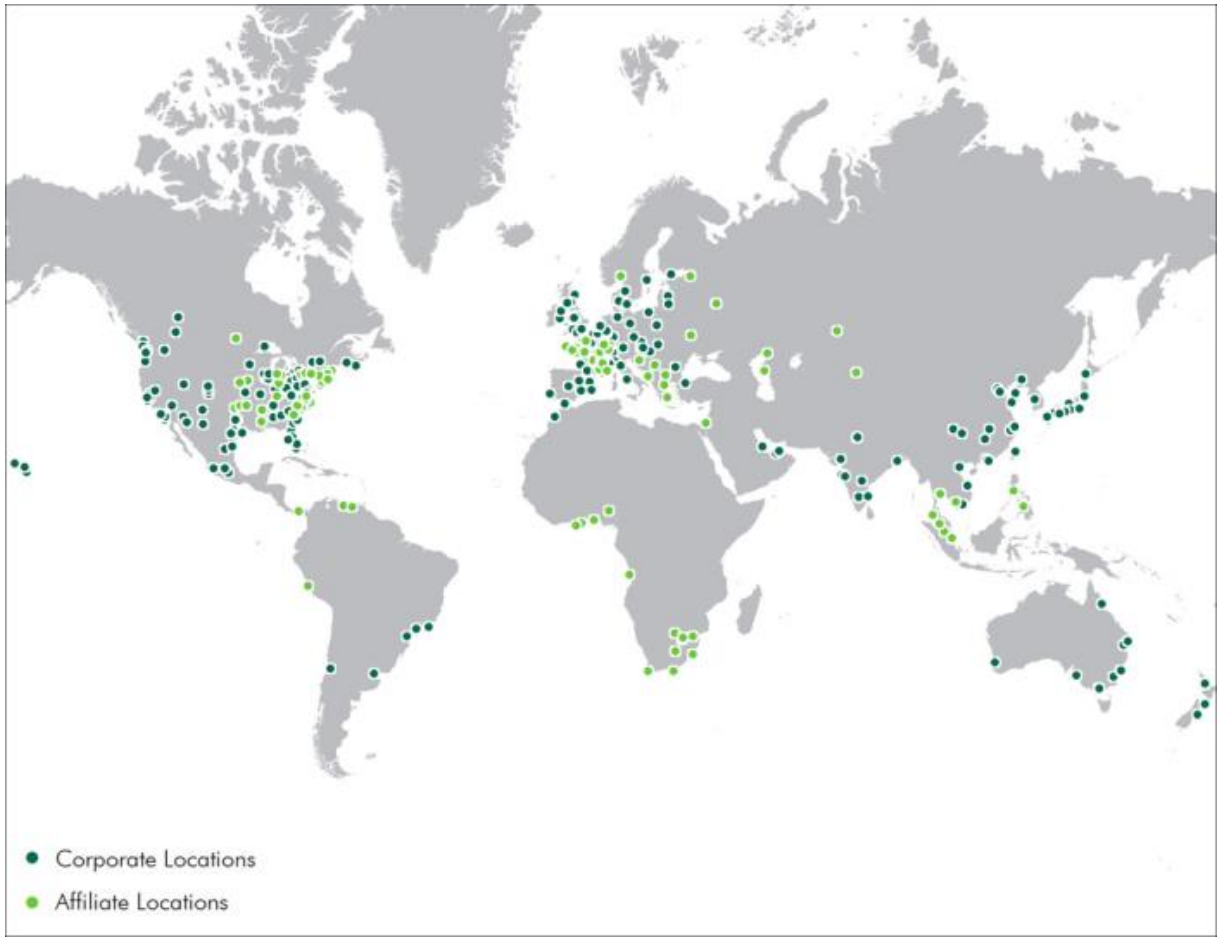
COST COMPARISON



*Greenfield acquisition based on average per acre cost of development land
**Based on Aecon Space Requirement Report
***Based of $50 per sq. ft. of existing footprint

ABOUT CBRE

ABOUT CBRE



CBRE

- CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (in terms of 2013 revenue).
- The Company has approximately 37,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices worldwide
- In Canada, CBRE Limited employs approximately 1,850 people in 24 locations from coast to coast.
- With 25 employees, including 15 Sales Professionals, the Waterloo Region office services the markets of Brantford, Kitchener, Waterloo, Cambridge, Guelph and Stratford.

BRANTFORD power

ABOUT CBRE

- Global Corporate Services
- Occupier Services and Agency Services
- Transaction and Portfolio Services
- Global Research & Consulting
- Capital Markets
- Financial Consulting Group

- Capital Markets
- Valuation & Advisory Services
- Global Research & Consulting
- Financial Consulting Group

- Occupier Services and Agency Services
- Global Corporate Services
- Capital Markets
- Financial Consulting Group
- Transaction and Portfolio Services

- Global Research & Consulting
- Global Corporate Services
- Portfolio Administration Services

- Global Corporate Services
- Strategic Consulting
- Capital Markets

- Global Corporate Services
- Global Research & Consulting
- Capital Markets
- Financial Consulting Group

- Occupier Services and Agency Services
- Capital Markets
- Global Corporate Services
- Global Research & Consulting
- Transaction and Portfolio Services

- Capital Markets

- Facilities Management
- Asset Services

- Global Corporate Services
- Project Management

TEAM STRUCTURE

EXECUTIVE OVERSIGHT

Andy Wright
Executive Vice President, Industrial Practice Leader

LOCAL OVERSIGHT

Peter Whatmore
Senior Vice President & Managing Director

MARKET RESEARCH

Cameron Woolfrey
Research Associate

BRANTFORD power
Your delivery company

CBRE

LOCAL TEAM

Mitchell Blaine
Vice President

Mallory Weldon
Sales Representative

Chris Kotseff
Sales Associate

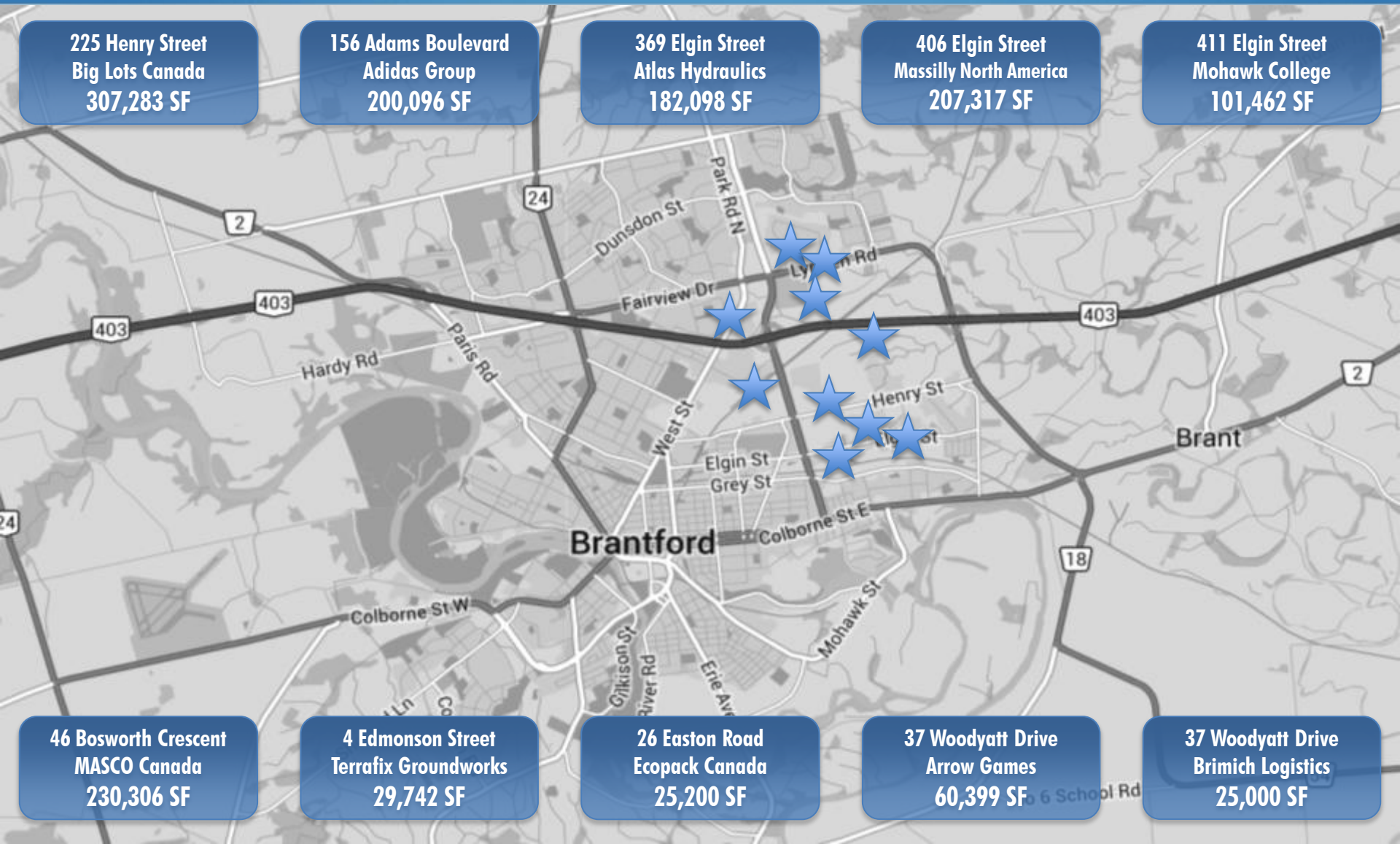
Duncan Webster
Sales Representative

TEAM EXPERIENCE

- Strongest Industrial Team in SW Ontario – more transactions than any other local team
- Recognized as one of Top Teams in Canada for CBRE and top Individual performer for SW Ontario
- Completed over 850 transactions and 12 million square feet in transactions since 2003
- Completed some of the most prominent transactions in Southwestern Ontario including the sale of a 1,000,000 SF manufacturing/warehouse facility
- Extensive knowledge of users pursuing opportunities in Southern Ontario
- Strong understanding of the local and surrounding area industrial real estate markets
- Member of CBRE's Special Properties Group

BRANTFORD power

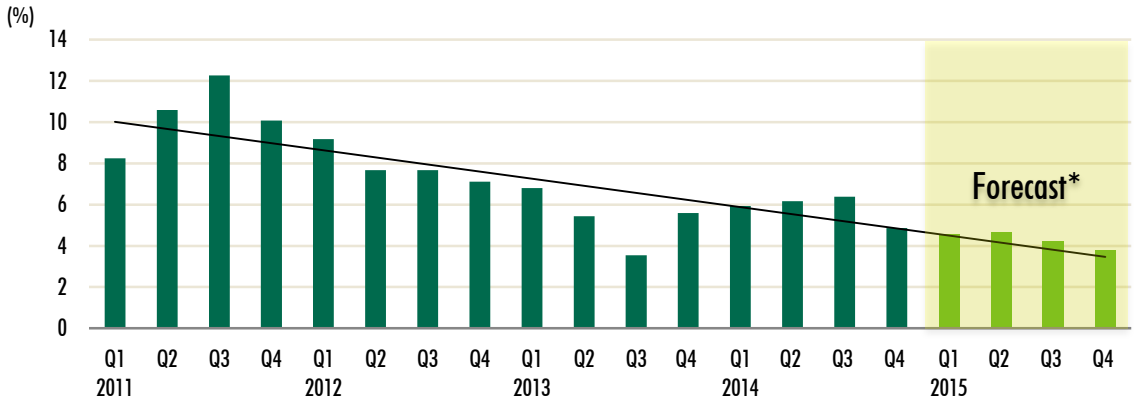
RECENT RELEVANT EXPIERENCE



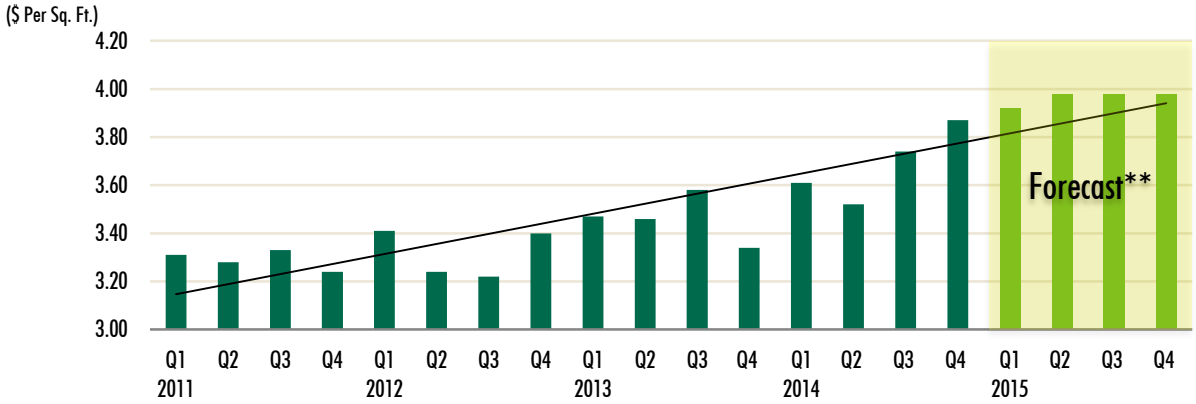
MARKET OVERVIEW

THE MARKET

Availability Rates (%)



Average Asking Net Lease Rates ($ per sq. ft.)

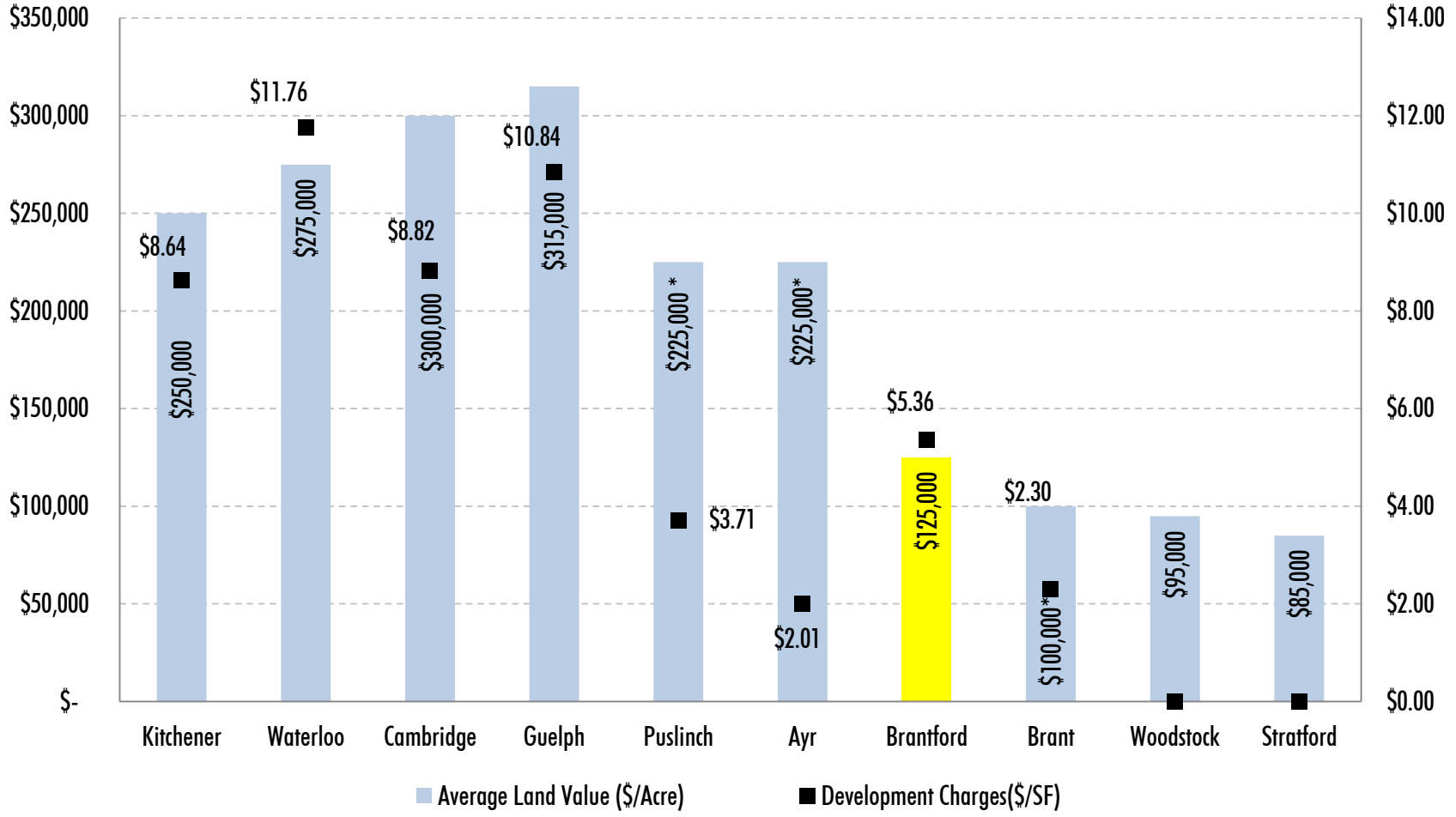


Source: CBRE Research, Q4 2014.

*Based on average quarterly absorption (5 Yr) & new supply

**Based on new supply ask rates & weighted average totals

THE MARKET



* Dry Industrial Land

AVAILABILITIES

AVAILABILITIES

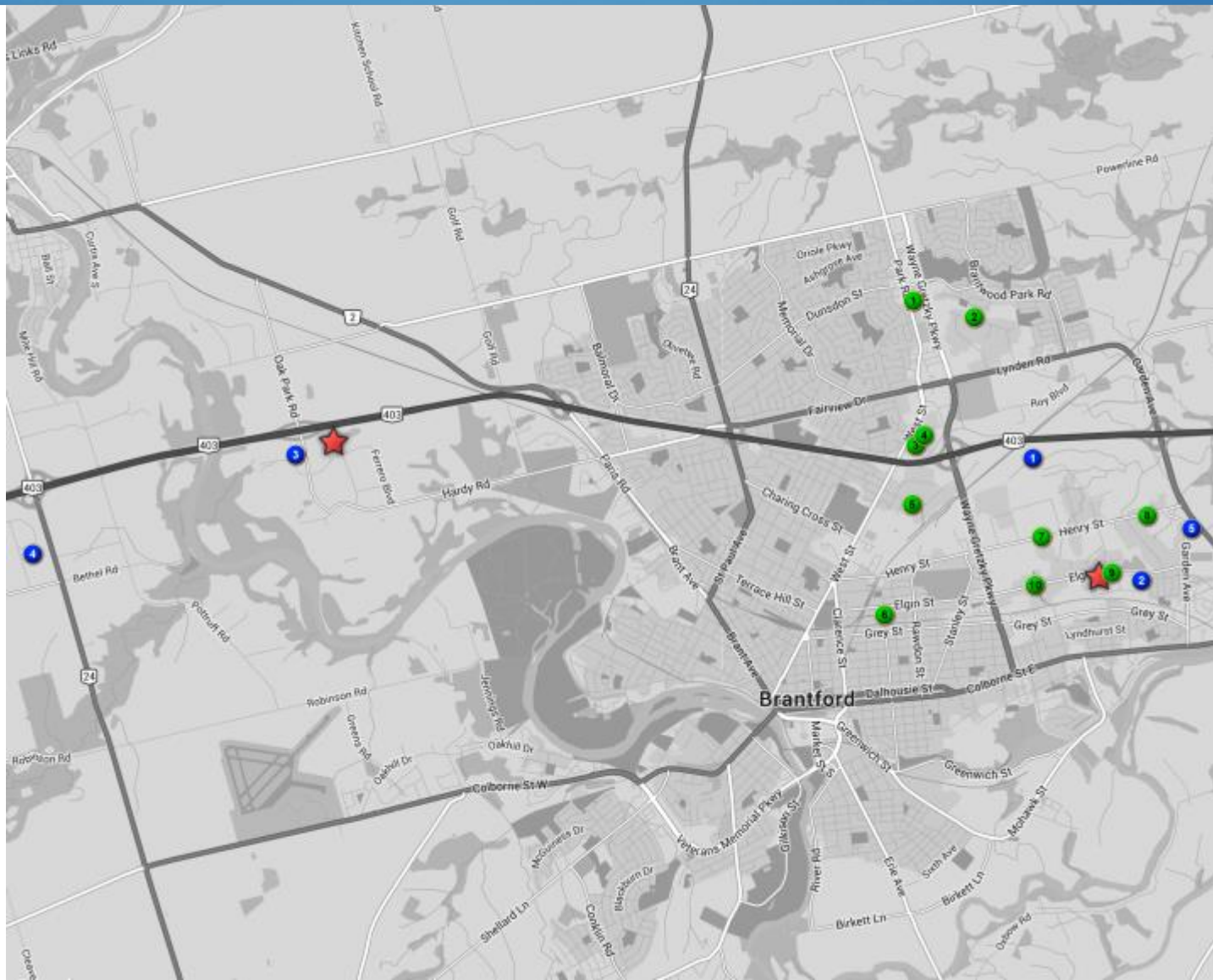
Key Criteria:

1. Within Municipal Boundaries
2. Time to Occupancy
3. Gross Acquisition Cost
4. Overall Lot size
5. Unique building profile
    1. High Office Component
    2. Warehouse area
    3. Truck movement
    4. Outdoor storage

Primary Candidates

Greenfield / Land

Existing Buildings



EXISTING OPPORTUNITIES

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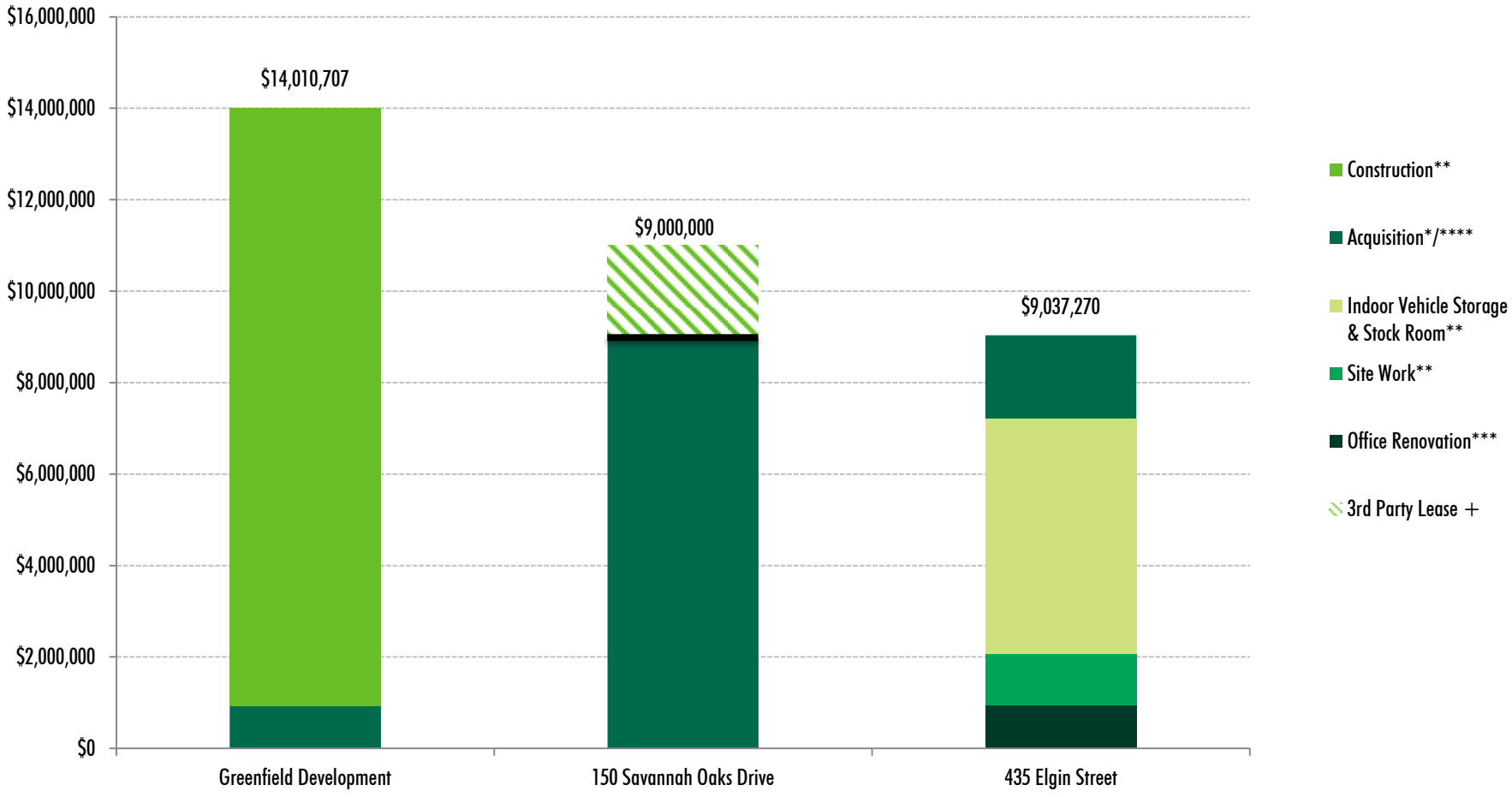
♦	435 Elgin Street 	Brantford	18,916	18,916	M-2	N/A	N/A	4.61	N/A	Immediate	$1,950,000	$103.09	Office building available for owner/occupier/investor. Well maintained building with excess land that can be severed.

COST COMPARISON



*Greenfield acquisition based on average per acre cost of development land
**Based on AECOM Space Requirement Report
***Based of $50 per sq. ft. of existing footprint
****2.5 acres acquired from neighbour at $150,000/acre

+Westcast Lease Assumptions: 20,000 SF; $10 PSF Net; 10% Capitalization Rate

Interrogatory Attachment E

AECOM Reports

Brantford Power Inc.

Space Needs Assessment - Final Report

Report

Brantford Power Inc.

Space Needs Assessment – Final Report

Prepared by:

AECOM
50 Sportsworld Crossing Road, Suite 290 519.650.5313 tel
Kitchener, ON, Canada N2P 0A4 519.650.3424 fax
www.aecom.com

Project Number:

60330566

Date:

November 12, 2014

Statement of Qualifications and Limitations

The attached Report (the "Report") has been prepared by AECOM Canada Ltd. ("Consultant") for the benefit of the client ("Client") in accordance with the agreement between Consultant and Client, including the scope of work detailed therein (the "Agreement").

The information, data, recommendations and conclusions contained in the Report (collectively, the "Information"):

- is subject to the scope, schedule, and other constraints and limitations in the Agreement and the qualifications contained in the Report (the "Limitations");
- represents Consultant's professional judgement in light of the Limitations and industry standards for the preparation of similar reports;
- may be based on information provided to Consultant which has not been independently verified;
- has not been updated since the date of issuance of the Report and its accuracy is limited to the time period and circumstances in which it was collected, processed, made or issued;
- must be read as a whole and sections thereof should not be read out of such context;
- was prepared for the specific purposes described in the Report and the Agreement; and
- in the case of subsurface, environmental or geotechnical conditions, may be based on limited testing and on the assumption that such conditions are uniform and not variable either geographically or over time.

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Consultant agrees that the Report represents its professional judgement as described above and that the Information has been prepared for the specific purpose and use described in the Report and the Agreement, but Consultant makes no other representations, or any guarantees or warranties whatsoever, whether express or implied, with respect to the Report, the Information or any part thereof.

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This Statement of Qualifications and Limitations is attached to and forms part of the Report and any use of the Report is subject to the terms hereof.

AECOM: 2012-01-06

AECOM
50 Sportsworld Crossing Road, Suite 290 519.650.5313 tel
Kitchener, ON, Canada N2P 0A4 519.650.3424 fax
www.aecom.com

November 12, 2014

Mr. Paul Kwasnik
CEO
Brantford Power Inc.
P.O. Box 308
Brantford, ON N3T 5N8

Dear Mr. Kwasnik:

Project No: 60330566

Regarding: Brantford Power Space Needs Assessment

In consultation with representatives from Brantford Power Inc., AECOM has developed a space needs assessment to address the future relocation of Brantford Power Inc.

This report presents the findings of our staff interviews and site visit reviews, space needs identification, analysis and next steps. We trust that you will find this information useful in determining the future course for the relocation of Brantford Power Inc. Please feel free to contact the undersigned should you have any questions.

Sincerely,
AECOM Canada Ltd.

Jim Flanigan, P.Eng., MBA
District Manager
Buildings + Places - Ontario
Manager, Kitchener Office
jim.flanigan@aecom.com

Distribution List

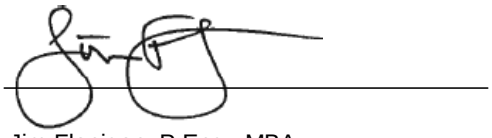
# of Hard Copies	PDF Required	Association / Company Name

Revision Log

Revision #	Revised By	Date	Issue / Revision Description

AECOM Signatures

Report Prepared By:



Jim Flanigan, P.Eng., MBA

Report Reviewed By:

Stephanie Rossi, P.Eng.

Executive Summary

Brantford Power Inc. (BPI) is poised to explore their future space needs and develop a long term space strategy for their administrative and operations facilities. BPI has engaged the AECOM / Mayhew team to explore their future administrative and operational space need requirements to develop a space strategy moving forward.

Included in the following report is a brief analysis of existing facilities and high level space criteria to serve as the first step in the process of fully understanding space utilization, challenges, requirements, and opportunities.

AECOM and Mayhew met with the BPI Senior Leadership Team to better understand the organization's vision, culture and ideas on the physical space portrayal in the future. We also had several discussions with the BPI CEO. Through this exercise we identified required space for all administrative and operational functions, including those of the affiliated companies, Brantford Hydro and Brantford Generation.

The information was analysed and concept plans for the building and overall site were prepared. The overall building area anticipated is 37,000 ft^2 on a site between 6.8 acres to 8.3 acres depending on the consolidation of outdoor storage needs.

A high level construction cost estimate was prepared indicating a cost of approximately $13.7 million for the site and building - not including site acquisition.

Next steps in the process of implementing the project include confirmation of the building areas identified in this report; site acquisition and retention of a prime consultant and design team to implement the detailed design.

Table of Contents

Appendices

1. Introduction

Brantford Power Inc. (BPI) is poised to explore their future space needs and develop a long term space strategy for their administrative and operations facilities. BPI has engaged the AECOM / Mayhew team to explore their future administrative and operational space need requirements to develop a space strategy moving forward.

Included in the following report is a brief analysis of existing facilities and high level space criteria to serve as the first step in the process of fully understanding space utilization, challenges, requirements, and opportunities.

The goals of this strategic study are to:

- Develop an understanding of the wide variety of issues, if applicable that are impacting BPI's ability to provide service and accommodate current and future staffing needs.
- Identify the building and site space needs of the administrative and operations groups.
- Develop an action plan for the development of administrative spaces.

2. Interview Findings

On August 25, the AECOM / Mayhew team engaged the Senior Leadership Team (SLT) from BPI to better understand the organization's vision, culture and ideas on the physical space portrayal in the future. The following is a summary of the key information gathered.

BPI's existing headcount is 60 people, and the organizational structure consists of a CEO/ President, as well as three Vice Presidents leading each of the three main groups. These groups are Engineering & Operations, Customer Service & Conservation and Corporate Services. 6 additional staff are employed by the affiliate companies. BPI staff are distributed approximately equally among 3 facilities within the City of Brantford, with each user group located primarily at one of the facilities. Customer Service & Conservation reside at 220 Colborne Street, Corporate Services is located at 84 Market Street and Engineering and Operations is divided between 84 Market Street and 400 Grand River. Of significance is the fact that BPI leases their office space from shared facilities with the City of Brantford. We were also informed that BPI purchases additional shared corporate services from the City of Brantford, including IT, AP, Payroll, Purchasing, Human Resources, Labour Relations, Legal & Real Estate and Facilities Management. These services are up for renegotiation in 2015 and BPI is unsure whether they will continue purchasing the services or have the services be in-house. This is an important factor to keep in mind when determining the required space for a potential new facility as the total services purchase through the City of Brantford equate to 8.57 full-time employees (FTE).

The following issues and opportunities were identified through discussions with the SLT.

1. Improved Adjacencies

As noted above, the three organizational groups within Brantford Power are distributed among three facilities. While each group functions adequately in their respective locations, it was expressed that stronger spatial adjacencies would benefit the organization. For example, it was highlighted that Customer Service has an important relationship to Finance/Regulatory, Engineering, Metering and Operations -- adjacencies that are not currently satisfied by the existing distribution of staff. Similarly, a facility to house the entire organization would promote interaction between individuals from different groups.

While the Senior Leadership Team expressed the importance and preference of having each respective Vice President with their staff rather than as a SLT collective, the move to one facility would allow for ease of communication between the team. Additionally, the SLT noted that at a minimum there is a requirement to have the

entire staff come together in one location 4 times a year - a requirement that necessitates them to rent out a space. If this larger group meeting space can be accommodated in the proposed building in a cost efficient manner, that would be preferred.

2. Existing Facility Issues
The distribution of Brantford Power at the three City of Brantford facilities results in inefficiencies in the allocation of support spaces. For example, the three user groups each need access to meeting rooms, kitchenettes, and shared resource areas (ie. print/copy). Since the 60 staff are divided, Brantford Power has to pay to provide these spaces at the three locations. A consolidation of the organization into one facility would eliminate the duplication of similar functions.

There are additional facility issues with the amount of space that BPI occupies and inequalities in how the space is distributed. For example, it was expressed that the staff at 220 Colborne are out of space and have no additional room to add more employees. On the opposite end of the spectrum, we observed that the allocation of space to work settings at 84 Market Square was excessive, and not consistent with current industry trends. For example, there are private offices with 1 employee occupying up to 240 square feet - well above industry standards.
The change to work settings that reflect current private or public sector trends alone would result in significant space efficiencies for BPI.

The existing administrative, indoor parts storage and indoor vehicle storage spaces at 400 Grand River Avenue were identified to be appropriate for current needs. The exterior yard storage area at 400 Grand River Avenue was identified to be well in excess of the area actually required.

3. Ontario Energy Board Approval
During the workshop with the Senior Leadership Team, we learned of the importance to justify significant financial decisions to be in accordance with Ontario Energy Board Regulations. If a decision to build one facility to house the entire organization were to move forward, the Board would want to see the costs associated with the various options in order to determine that they are choosing the best option. It was discussed that the implementation of Workplace 2.0, a set of workplace standards created by the Government of Canada, into a future facility would help justify the decisions to the OEB.

3. Administrative Space Needs Assessment

There are a number of trends in today's high performance workplaces that influence accommodation strategies and recommendations for workplace planning. These trends are driven by a variety of business challenges: emerging technologies, new generations entering the workforce, competition for talent, cost pressures, and the need to innovate and improve service delivery. The following is a list of trends to consider while moving forward with a Space Accommodation Strategy

Industry Trends

1. The Interconnected Workplace
One of the most prevalent and influential outcomes of workplace research is the recognition that a workplace offering choice and control over spaces, that supports the physical, social, and cognitive wellbeing of people, and provides a range of spaces designed for many modes of work, is a workplace that amplifies the performance of people, teams and organizations.

This 'Interconnected Workplace' provides a range of spaces that supports focused work, collaboration, socializing and learning, and this is essential to meet more complex business demands and ensure that people work harder and smarter than ever before.

2. Real Estate Optimization

Real estate optimization is not simply a strategy for minimizing square footage nor is it a one-solution fits all approach. It considers the symbiotic relationship between emerging work strategies and physical space needs unique to each organization with a goal to increases employee productivity and support cohesive organizational culture. Space optimization should offer maximum flexibility to support multiple work modes and enhance connection and collaboration. For the public sector, especially municipalities, reducing real estate costs and optimizing current stock of office space is a responsible fiscal approach and sends strong messages to citizens about efficiencies in government work process.

3. Enhance Collaboration

As knowledge work dominates the business landscape and emerging work strategies become more commonplace, the focus on collaboration continues to be an essential theme. At the highest level, collaboration occurs when a team of people work together to gain new insights and achieve a common purpose. For collaboration to be successful, the organization's culture needs to be built around a mindset and shared understanding that people often need to be together to do the best work. A collaborative workplace is one that functions as a central hub to connect workers and facilitate seamless interactions required to meet business demands. It sets the stage to help teams build a stronger shared identity, respond to changes quickly, and make decisions and innovate faster.

Just as space should enhance the opportunities for team work, space should also support workers' need for private and focused work. It is critical that the workplace provide a balance of social and private modes and effectively manages the transitions between collaborative and individual work.

4. Build Brand and Activate Culture

An organization's brand and culture shape and reflect each other in an interconnected manner. A brand is not simply a corporate identity program - it reflects the essence of an organization, what it stands for and how it meets the needs and expectations of the individual considering it.

Leading organizations recognize the opportunity to create spaces that integrate strategy, culture and brand. The workplace should help employees and customers feel energized and emotionally engaged with the organization's brand and culture whenever they are on site. Space can be leveraged as a strategic tool that supports communities of practice, fosters communication and knowledge sharing, increases employee engagement, instills trust through transparency, and improves customer service delivery. Space can also be leveraged through a strategic design image that communicates brand to both internal and external audiences. Brand continuity is important for organizations, as it ensures the communicated message to its employees and customers is consistent across the board.

5. Wellbeing at Work

Wellbeing in the workplace is not simply about ergonomics or indoor air quality. It has evolved into a holistic concept that embraces both physical, mental, and supportive social environments. Forward thinking organizations are considering workplace wellbeing as part of their business strategy. They recognize that bad health outcomes and disengagement can lead to poor business outcomes and increased costs due to absenteeism, accidents and decreased productivity.

A workplace that offers a level of choice and control by providing a Palette of Place, a Palette of Posture, and a Palette of Presence lays the groundwork for wellbeing (Steelcase). Cognitively, people need spaces that allow them

to focus and process information with limited distractions. Physically, people need a change of postures to feel energized, stimulated and refreshed. Socially spaces should foster connections between individuals, help them communicate and give them a sense of belonging to the larger organization. These strategies are more likely to help employees feel empowered, engaged and less stressed.

Wellbeing in the workplace should also be complemented by other tangible approaches such as acoustical and lighting control strategies, access to natural light and views, good indoor air quality, and even provision of facilities for fitness and healthy eating.

Worksetting Trends & Standards

Current trends in the workplace have played a key role in establishing modern worksetting standards. These standards are based on The Government of Canada's Workplace 2.0 and describe key patterns of work and corresponding worksetting types.

a. Patterns of work
Workplace 2.0 defines four types of workers that sets the basis for the worksetting requirements. As stated in Workplace 2.0, "Studies have shown that employees only utilize their dedicated space from 40-60% of the time, leaving nearly half of their real estate vacant at any one time." By examining the work habits of the four types of workers, the functional requirements and allocated space can be determined based on the amount of time the worker spends in the office.

Workplace 2.0 outlines four worker profiles:

1) Leadership
2) Fixed
3) Flexible
4) Free Address

Leadership
The worker profile categorized as 'Leadership' refers to a worker who manages a set of employees. Their position in the organization merits them a larger workstation to hold meetings at their desk. Some leadership positions may require an enclosed setting for confidential and sensitive work. Examples of 'Leadership' workers include managers, directors and general managers

Fixed
The profile of 'Fixed' worker is based on the amount of time the employee spends in the office, and not on the hierarchy of their position. The fixed worker spends more than 60% of their day at their desk and as such requires a workstation that reflects this work habit. Within the 'Fixed' definition, there could be multiple functional requirements and variety of worksettings. Examples of 'Fixed' workers include administrative assistants and analysts.

Flexible
The 'Flexible' worker is also defined by their work habits. These employees are at their desk for approximately 40% of their day. Some of their work habits may include off-site meetings or field work. 'Flexible' workers may include account executives or inspectors.

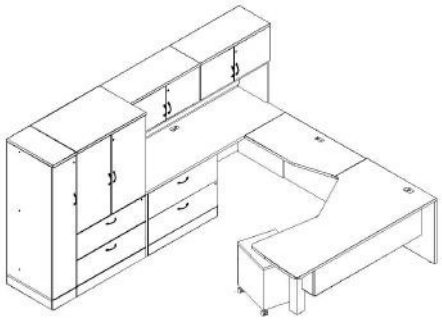
Free Address
'Free Address' refers to those employees whose nature of work does not require them to have a dedicated workstation in the office. These workers will generally only drop into the office for short amounts of time on a periodic basis to meet with colleagues, catch up on projects or simply make social connections. As such, their worksetting

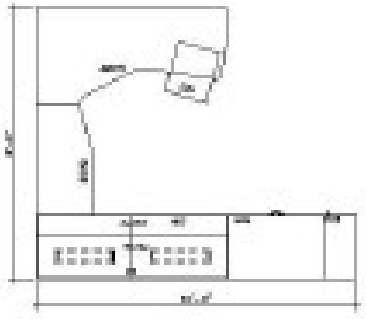
reflects the amount of time spent in the office. Examples include remote workers, regional employees and consultants.

b. Worksetting Types

Note: The graphics below are example furniture layouts intended to illustrate the general concept of each worksetting type. There are multiple other configurations and furniture systems and components available.

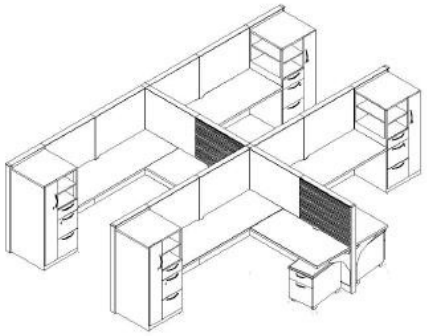
Leadership:

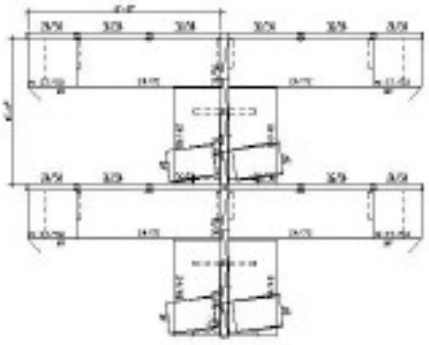




- Workstations may be open or closed
- Area Maximum: 108 sq.ft. – 199 sq.ft. (10 sq.m. – 18.5 sq.m.)
- Thought starters:
  - Include guest seating for small meetings

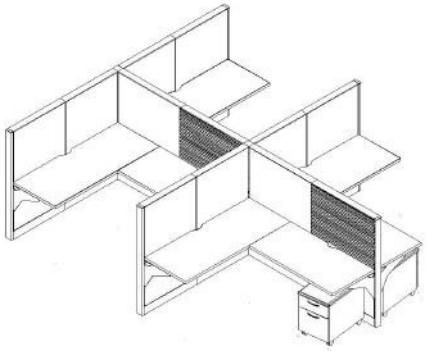
Fixed:

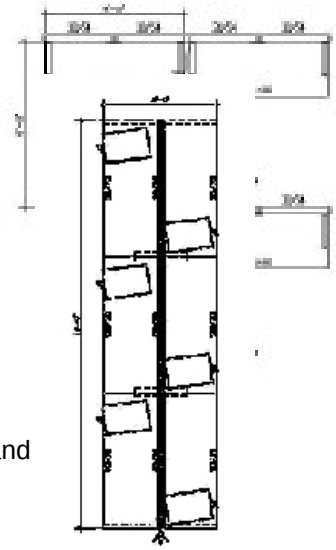




- Area Maximum: 48 sq.ft. (4.5 sq.m.)
- Thought starters:
  - Include mobile pedestal with cushion top for informal guest seating
  - Incorporate additional storage for personal belongings

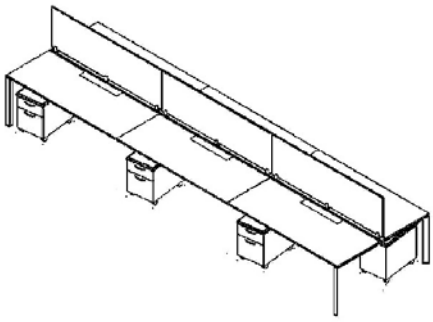
Flexible:





- Area Maximum: 32 sq.ft. (3 sq.m.)
- Thought starters:
- Include mobile pedestal to store supplies and

Free Address:



- Area Maximum: 16 sq.ft. (1.5 sq.m.)
- Thought starters:
- Provide the necessary technology to allow free address employees to ‘plug-in’ and work

Space Allocation Trends

The following data represents current space allocation trends across a number of private and public sector organizations. This can serve as an initial benchmark for the BPI.

a. Current Hydro Utility Trends

Worksetting Type	Hydro One	Toronto Hydro
Executive (PO)	20 x 18 16 x 10	12 x 16
Director (PO)	16 x 10	12 x12
Manager / Supervisor (PO & S-PWS)	6 x 6	10 x 8
General Staff (OWS)	6 x 6	6 x 9
Hotel / Processor (OWS)	5 x 2.5	4 x 6

b. Current Private Sector Trends

Worksetting Type	DuPont	Bell Media	MPAC
Executive (PO)	13 x 10.5	10 x 15	15 x 15
Director (PO)	-	10 x 12	10 x 12
Manager / Supervisor (PO & S-PWS)	7 x 7	10 x 8	8 x 10
General Staff (OWS)	6 x 6	6 x 6	6 x 8
Hotel / Processor (OWS)	5 x 3	6 x 6	6 x 2.5

c. Current Public Sector Trends

Worksetting Type	Town of Grimsby	City of Oshawa	York Region	*Town of Aurora	Town of New Tecumseth	Town of Markham	Halton Region*	City of Barrie*
General Manager (PO)	10 x 15	15 x 15	12 x 15	10 x 12	10 x 12	N/A	12 x 16	10 x 15
Director (PO)	10 x 15	15 x 15	12 x 15	10 x 12	10 x 12	10 x 12	10 x 15	10 x 15
Manager / Supervisor (S-PWS & OWS)	10 x 10 8 x 8	10 x 15 6 x 9	8 x 8	10 x 10 8 x 8	10 x 10 8 x 8	6 x 7.5	8 x 9	10 x 12 *9 x 12
Administrative (OWS)	6 x 8	6 x 9	6 x 8	6 x 8	6 x 8	6 x 7.5	7 x 8	6 x 7
Hotel / Processor (OWS)	N/A	6 x 6	6 x 6	6 x 6	6 x 6	6 x 7.5	4 x 5	6 x 7

**PROPOSED WORKSETTING STANDARD*

Support Space Allocations and Standards

As reflected in current industry trends, support spaces are a key component in offering employees the choice of spaces required to support various modes of work. The following support space allocation and standards are based on Workplace 2.0 and best practices implemented by similar municipalities. However, it is important to keep in mind that the number and type of support space should relate to the population of each floor.
Note: FTE refers to Full Time Employees.

Meeting Rooms:

Meetings rooms are enclosed areas for meetings, presentations and collaborative work. The number of meeting rooms that should be provided per floor depends on the population of employees on that floor. Workplace 2.0 provides the following chart to determine the recommended number of meeting rooms. However, it notes that a larger meeting room may be incorporated in place of multiple smaller meeting spaces and recommends incorporating the ability to be convert the larger meeting room into the smaller rooms.

	Size of Meeting Room			
# of FTEs per floor	Small 14 m² seats 6	Medium 30 m² seats 12	Large 60.0 m² seats 20+	Total
5 – 9	1	–	–	1
10 – 25	–	1	–	1
26 – 50	1	1	–	2
51 – 70	2	1	–	3
71 – 100	2	2	–	4
101 – 137	1	2	1*	4
138 – 175	2	2	1*	5
176 – 225	4	2	1*	7
226 – 250+	4	3	1*	8

Lunchrooms/ Social Space:

Most organizations invest in collaborative casual environments such as a lunchroom or multifunction space. Similar to meeting rooms, the area required is based on the number of employees that will be using the space. Below is a guideline for the quantity and size of the lunchrooms.

# of FTEs per floor	# and size of areas	lin. mm of counter and upper/lower storage in each area
2 – 4	one 3 m²	1,500 (5')
5 – 25	one 10 – 20 m²	2,400 (8')
26 – 50	one 20 – 30 m²	3,000 (10')
51 – 100	one 30 – 40 m²	3,600 (12')
101 – 137	one 40 – 50 m²	4,200 (14')
138 – 175	one 50 – 60 m²	4,800 (16')
176 – 225	one 60 – 70 m²	5,400 (18')
226 – 250+	one 70 – 80 m²	6,000 (20')

Quiet Rooms:

Quiet Rooms or enclaves allow employees who typically occupy open workstations to use a room with enhanced acoustical properties. Employees may use these spaces to make a private telephone call, or complete work that requires a high level of concentration. The following chart is the recommended number of quiet rooms that should be provided.

# of FTEs per floor	# of 5 m² spaces
10 – 45	1
46 – 91	2
92 – 137	3
138 – 183	4
184 – 229	5
230 – 250+	6

Shared Equipment Areas:
Shared equipment areas are open or semi-enclosed areas where employees can access communal equipment, such as printers and scanners. A surface for collating is typically provided. The following chart summarizes the suggested requirements.

# of FTEs per floor	# and size of areas	lin. mm of counter and upper/lower storage in each area
1 – 4	one 5 m²	1,800 (6')
5 – 25	one 5 – 10 m²	1,800 (6')
26 – 50	one 10 – 14 m²	2,400 (8')
51 – 75	one 14 – 20 m²	3,000 (10')
76 – 100	two 10 – 14 m²	2,400 (8')
101 – 150	two 14 – 20 m²	3,000 (10')
151 – 175	three 10 – 14 m²	2,400 (8')
176 – 225	four 10 – 14 m²	2,400 (8')
226 – 250+	three 14 – 20 m²	3,000 (10')

Undesignated Support Space:
Undesignated Support Space refers to the additional support spaces required for storage, filing, libraries or server/LAN room. These functions typically require enclosed spaces within 10m2. Workplace 2.0 explains, The amount of Undesignated Support Space can be planned based on total occupancy but should be allocated by FTE per floor to ensure consistency and flexibility for future occupancies. The suggested allowances are outlined in the chart below.

To determine the future space needs and future new build facilities, a Universal Space Allocation Standard can be used. Universal standards are adopted by many organizations. A sample of standards used by some Municipalities is provided below.

# of FTEs per floor	# of 10 m² spaces
3 – 50	1
51 – 110	2
111 – 175	3
176 – 250+	4

Estimated / Projected Space Needs for 2015

The following chart outlines BPI's existing administrative space usage, as well as their future space requirements. As per the chart above, BPI currently utilizes 239 square feet per employee, whereas the implementation of Workplace 2.0 standards into a new facility would reduce that amount to approximately 180 square feet per employee - a significant cost savings for the organization. Required area for the interior vehicle storage and for the indoor stock room are to match that provided in the existing building at 400 Grand River Avenue.

	Existing	Future Requirements
	2014	**2015 - 2017**
Staff Worksetting Space Requirements		
Full Time Employees	41	49
Part Time Employees	3	3
Mobile Workers	12	12
Shared Services (through CofB)		8.5
Affiliates (Brantford Hydro / Brantford Generation)	6	10
CEO/VPs	4	4
Total Administrative Head Count	66	86.5
Estimated Net Square Foot (NSF) Required for Head Count	**12536**	**6920**
Staff Support Space Requirements (sq.ft.)		
Meeting Rooms (small to large)	884	1150
Training Room (seats 20+)		645
Shared Equipment Area		300
Lunchroom/Social Space		377
Quiet Rooms		108
Undesignated Support Space (storage/file rm)	887	250
Estimated NSF Required for Support Space	**1771**	**2830**
Total Gross Square Foot (GSF) Space Requirements	13167	9750
with circulation (60%)	15800	15600
Square Foot per Person	239	180

Potential growth of 8 people (2 in CDM, 2 in Regulatory, 4 in Smart Meter)

Based on 80 square feet/ employee - this number take into consideration varied worksetting, as well as additional area required for utilities

Square footages added separately for Existing if shared with City of Brantford

Circulation for existing multiplied by 20% to account for communal circulation space and utilities

4. Concept Space Plan

We have developed a concept building plan and site plan that accommodates the various spaces and equipment areas identified. Please refer to Appendix A and Appendix B for these plans. For comparison purposes, we have included an aerial view of the site plan at 400 Grand River Avenue in Appendix C.

The administrative area of the building incorporates all of the required spaces and staff positions identified; however, uses a more flexible open office arrangement than is currently used at 84 Market. The spaces at Market Square and 400 Grand River Avenue are more similar to an open concept office now and therefore these staff are likely to find the transition easier. The staff moving from primarily private offices at 84 Market to the proposed open concept design are likely to find the transition more difficult. An appropriate communication and change management strategy can help to overcome these difficulties. Also, certain systems such as sound masking and appropriate

finish selections can be implemented during a detailed design process to address common issues such as noise migration.

The site plan identifies space in the order of 6.8 acres to 8.3 acres depending on how compressed the outside storage areas can be. An 8.3 acre site would provide an equivalent area of outside storage to what is current provided at 400 Grand River Avenue.

Parking is provided for all staff. Ample driveways, circulation space and turning radii are provided for all vehicles including trucks pulling pole trailers. Provision is made for a future expansion to the building should actual growth exceed the estimates provided.

Security fencing is indicated with operable sliding gates at the two entry points to the yard. If a site could be found that fronted two streets (a corner lot) then a side entrance from the yard to the adjacent street would provide even better site circulation.

5. Estimated Cost

A high level construction cost estimate for a new facility of the proposed size is approximately $13,700,000. This includes the various items and contingency amounts as noted below. This should be considered a Class D cost estimate with an accuracy of plus or minus 30%.

Description	**Quantity**	**Unit**	**Rate ($/m²)**	**Total**
Administration Area	1500	m^2	$2,640	$3,960,000
Stock Room	691	m^2	$1,890	$1,305,990
Indoor Vehicle Storage	1254	m^2	$1,890	$2,370,060
Siteworks	Allow.			$800,000
Furniture	Allow.			$400,000
Net Estimated Building & Site Construction Costs				$8,836,050
Contractor's General Requirements / Profit	12%			$1,060,053
Net Estimated Contractor's Fees				$1,060,053
Cost Estimate Contingency	25%			$2,474,026
Net Estimated Contingency Allowances				$2,474,026
Consulting Fees				$1,113,468
Permits and Approvals	Allow.			$200,000
Total Estimated Construction Costs				$13,683,597

Note that site acquisition costs are not included.

The general cost per square foot of the administrative space ($2,640/$m^2$ or $245/$ft^2$) and of the operations space ($1,890/$m^2$ or $175/$ft^2$) reflects a modern but relatively basic building designed to current energy efficiency standards.

Energy efficiency requirements for all new buildings were substantially improved under the 2012 Ontario Building Code. Prior to this code issuance, buildings were required to meet 2 standards for energy efficiency – ASHRAE 90.1-2010 and the 1997 Model National Energy Code for Buildings (MNECB). The 2012 Ontario Building Code requires a 5% improvement over ASHRAE90.1 and a 25% improvement over the 1997 MNECB. Our cost estimates noted above would include a building that meets this basic requirement plus some elements in the spirit of LEED Silver standards. This estimate however, does not reflect a building that is fully LEED compliant and certified. For comparison purposes a fully compliant and certified LEED Silver building of this size would add approximately 5% or $650,000 to the overall cost. A LEED Gold building would add approximately 15% or $2.0 million to the overall construction cost.

6. Site Location

The location of the facility, whether it be a new build or renovation of an existing building, should be within the BPI service area, preferably centrally located and near a truck route. A central location would reduce travel time and costs for the BPI service vehicles. Proximity to a truck route would improve travel times by keeping vehicles away from residential areas. It was discussed with the SLT that proximity to a public transit route is preferable as a commuting option for staff as well as service access for customers.

While no specific search has been completed, we understand anecdotally that clear sites of 6 to 8 acres are very rare within Brantford. There may be some more options available if brownfield sites are included for consideration. We note that brownfield sites come with a certain amount of risk due to environmental contamination but are generally less expensive as a result of this risk.

7. Next Steps

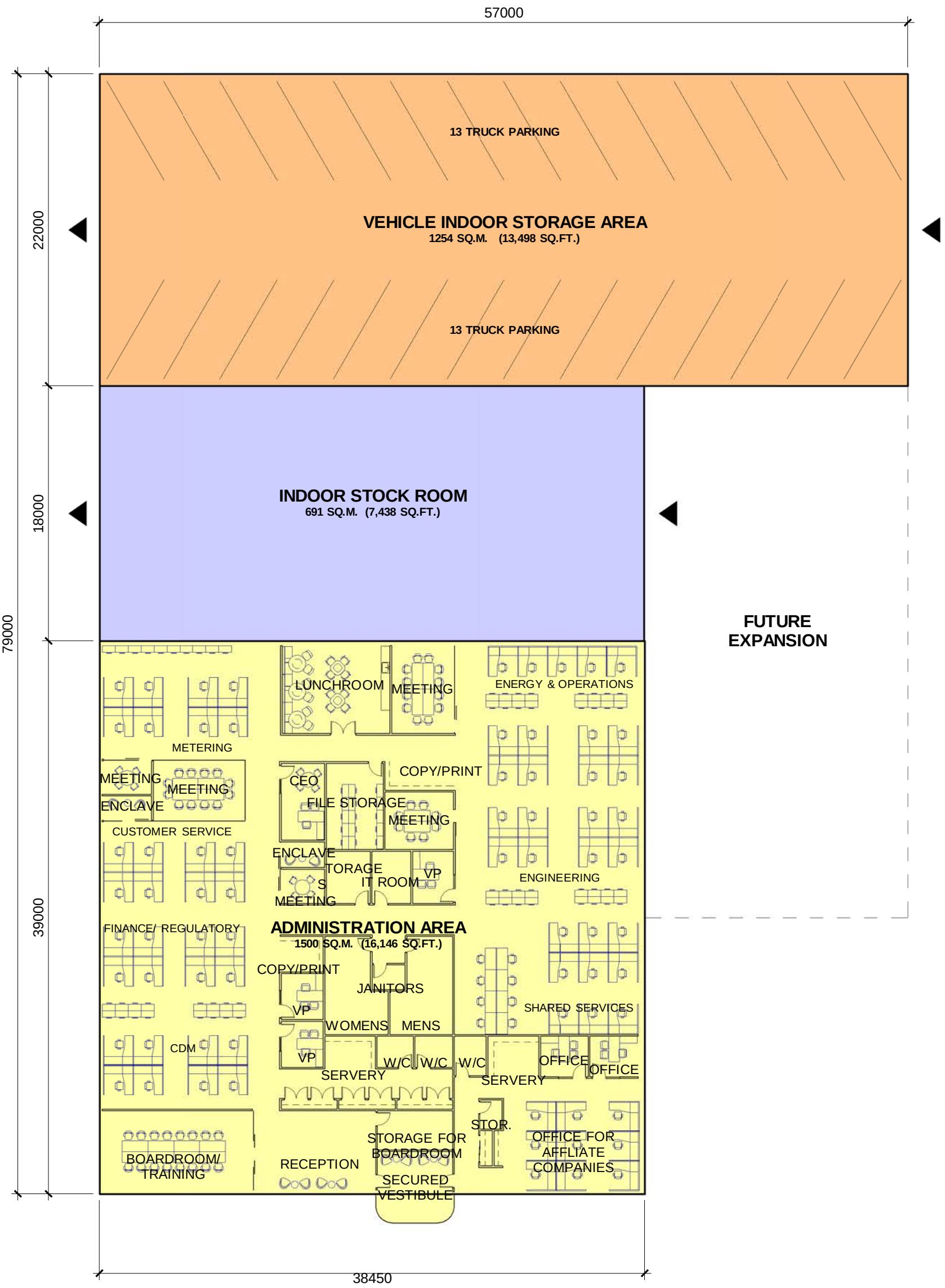
Once the functional areas indicated on the concept site plan and building plan are confirmed by BPI, the next step is to find a site. This is an important piece of the puzzle that must be defined before moving on to the detailed design stage. In order to find an appropriate site, BPI should retain a real estate professional familiar with the industrial and commercial market in Brantford. This person would be in a position to confirm if clear sites for a new build are likely to be found or if a suitable existing building/site could be found that could be renovated. As noted above, we anticipate that finding a clear site of the right size in the right location in Brantford is unlikely. A more likely scenario is the purchase of an existing building and implementation of a major renovation or part renovation part new build to provide the required spaces. Depending on the configuration and condition of the base building, the renovation option would likely be completed at a lower capital cost than the new build.

Once a site is found and it is confirmed that the implementation will be via new build, then a Request for Proposal to retain a prime consultant design firm could be developed. The prime consultant would collect a design team of the required architects, engineers and planners to finalize the design and prepare the construction documents for tender purposes. Throughout that process, there will be ample opportunity for BPI to work with this team to refine the design of the facility to capture the finer requirements that are outside the scope of this assessment.

Should the implementation be planned to proceed via the renovation of an existing building, it is recommended that BPI conduct a detailed condition assessment and concept design exercise prior to issuing the RFP for prime consultant services. This report will identify important information that will be required by the prime consultant team in order to determine an appropriate fee for the required services. Site plan approval, zoning confirmation and building permit application would all form part of the prime consultant team services.

Appendix A

Concept Floor Plan



VISUAL SCALE 1:300

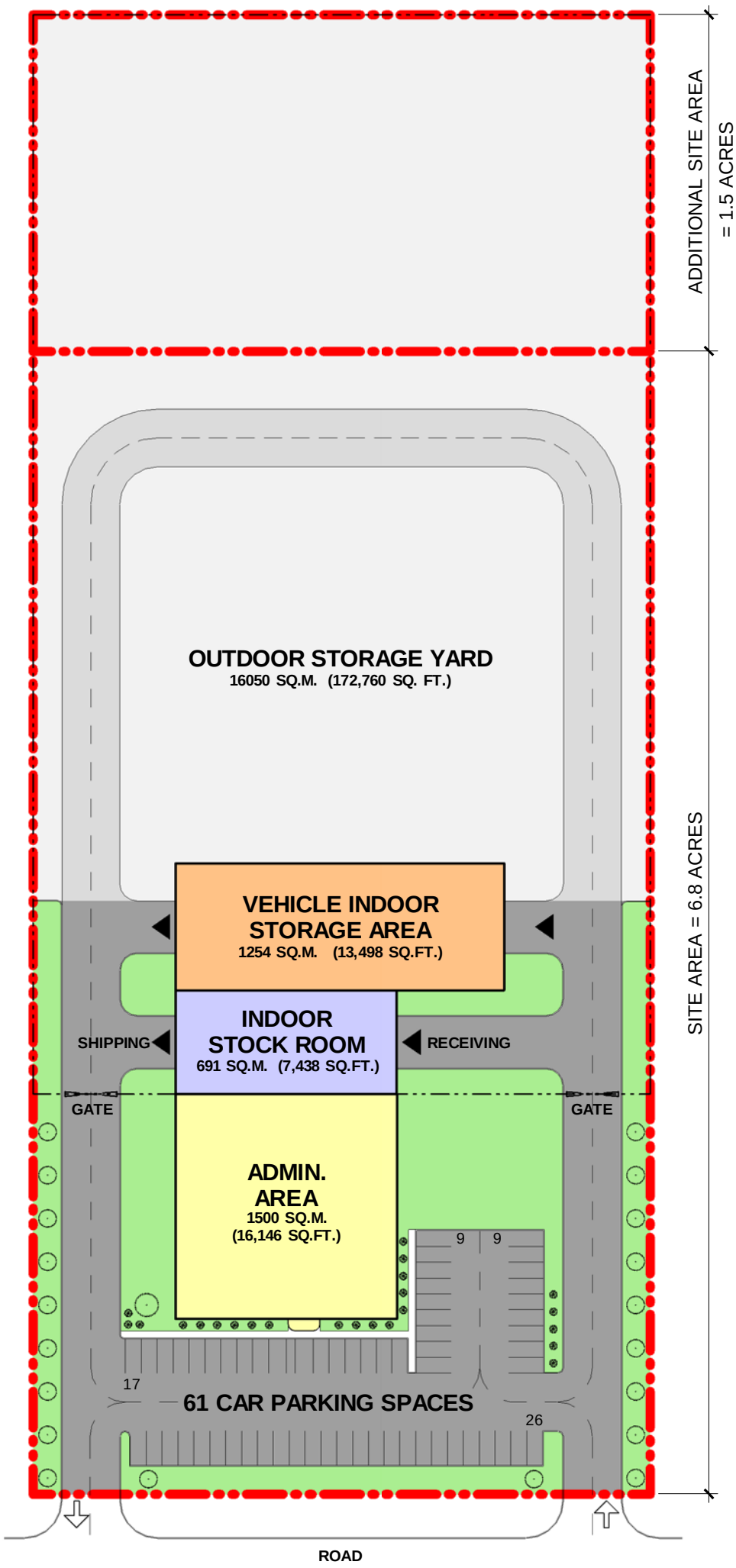
BRANTFORD POWER INC.

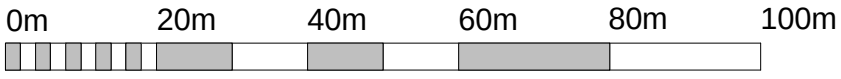
PROPOSED BUILDING PLAN

AECOM Canada Architects Ltd.

Appendix B

Concept Site Plan





VISUAL SCALE 1:1000

LINETYPE LEGEND

PROPERTY LINE

LEGEND

- **ADMINISTRATION AREA**
- **INDOOR STOCK ROOM**
- **VEHICLE INDOOR STORAGE AREA**
- SOD
- ASPHALT DRIVEWAY & PARKING
- GRAVEL DRIVEWAY
- STORAGE YARD
- CONCRETE

BRANTFORD POWER INC.

PROPOSED SITE PLAN

AECOM Canada Architects Ltd.

mayhew

BRANTFORD power
Your delivery company

Appendix C

400 Grand River Avenue Site

AECOM Canada Architects Ltd.

mayhew

BRANTFORD POWER INC.

PARTIAL EXISTING 400 GRAND RIVER AVENUE SITE PLAN

BRANTFORD power
Your delivery company

AECOM
50 Sportsworld Crossing Road, Suite 290 519.650.5313 tel
Kitchener, ON, Canada N2P 0A4 519.650.3424 fax
www.aecom.com

March 20, 2015

Mr. Paul Kwasnik
CEO
Brantford Power Inc.
P.O. Box 308
Brantford, ON N3T 5N8

Dear Mr. Kwasnik:

Regarding: 150 Savannah Oaks Drive, Space Assessment

As requested, AECOM has completed a high level assessment of the existing building located at 150 Savannah Oaks Drive in Brantford. The intent of the assessment is to determine the suitability of the building, from a space and layout perspective, to accommodate the relocation of Brantford Power operations.

In our November 2014 report, we identified that approximately 37,000 ft^2 of building on a site between 6.8 acres to 8.3 acres, depending on the consolidation of outdoor storage needs, would be required. This was based on the assumption that a new building was to be constructed on a green-field site. The 37,000 ft^2 of building included 16,000 ft^2 of office space, 7,500 ft^2 of stock room space and 13,500 ft^2 of interior vehicle storage space.

The building at 150 Savannah Oaks Drive is a two storey office building (area of 68,800 ft^2) with an adjoining single storey technical building (area of 36,400 ft^2). The office building includes one suite of 17,420 ft^2 currently leased out to a tenant. The common area includes a staff entrance, washrooms, elevator, stairs and a cafeteria area. The estimated 16,000 ft^2 of office space from our November report included washrooms, a lunchroom, space for all of Brantford Power operations staff plus space for the affiliate companies (Brantford Hydro and Brantford Generation). All of this space could easily be accommodated on the ground floor of the proposed building. This would leave the remaining area on the second floor for another tenant or other potential use by Brantford Power. We have not yet visited the building to assess how much renovation would be required on the ground floor; however, from the drawings provided it appears that a number of private offices already exist and that all of the common areas and amenities (cafeteria and washrooms) are built. This would reduce the required renovation cost.

The technical building is a single storey with an upper mezzanine covering approximately 9,000 ft^2. Using the lower level and upper level of the mezzanine area the proposed Stock Room could easily be accommodated. The remainder of the technical building is an open floor area with 28 ft high ceilings and only one row of columns dividing the space. A preliminary review of the column spacing compared with the required turning radius of the fleet vehicles indicates that the area could accommodate indoor storage of the vehicles. Currently the space has one drive-in door and one loading dock. To accommodate efficient circulation of vehicles, the loading dock area would have to be reworked to create a second drive-in door. We understand that the concrete slab in the technical

building is essentially flat. This would need to be replaced with a sloping floor and appropriate drains to collect water and snow melt from the vehicles.

We are not aware of the details of other systems in the technical building; however, we note that issues such as building ventilation, gas detection and fire separations among others need to be evaluated to confirm adequacy for use as a vehicle parking area.

In terms of the site area, we understand that there are 5 acres of lot area that would be available for outdoor material storage and circulation. Assuming the area is regularly shaped it should be more than adequate to accommodate Brantford Power's outdoor storage needs. An aerial view of the property indicates that the surrounding site area is not developed. Improvements would be required to develop a secure site storage area.

We have not yet conducted a review of the City of Brantford zoning bylaw to confirm if the occupancy and proposed storage areas comply or if any variances would be required.

In conclusion we feel that this property could be made appropriate for Brantford Power's use as a centralized operations facility provided that:

- Office building systems were reviewed in detail and any required upgrades identified;
- Vehicle storage building systems were reviewed in detail and any required upgrades identified;
- The 5 acre site area could be developed as an outdoor storage area.

Thank you for the opportunity to work with you on this assessment. Should you have any questions regarding this letter, please call me.

Sincerely,
AECOM Canada Ltd.

Jim Flanigan, P.Eng., MBA
Associate Vice President, Buildings + Places
Manager, Kitchener Office
jim.flanigan@aecom.com

Brantford Power Inc.

150 Savannah Oaks Concept Design
Final Report

Report

Brantford Power Inc.

150 Savannah Oaks Concept Design Final Report

Prepared by:

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Project Number:

60330566

Date:

November 20, 2015

Statement of Qualifications and Limitations

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AECOM: 2012-01-06

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November 20, 2015

Mr. Paul Kwasnik
CEO
Brantford Power Inc.
P.O. Box 308
Brantford, ON N3T 5N8

Dear Mr. Kwasnik:

Project No: 60330566

Regarding: 150 Savannah Oaks Drive Concept Design

In consultation with representatives from Brantford Power Inc., AECOM has developed concept design options to address the possible relocation of Brantford Power Inc. to the existing facility at 150 Savannah Oaks Drive in Brantford.

This report presents the findings of our site assessment, building code review, zoning bylaw review and concept design recommendations. We trust that you will find this information useful in determining the future course for the relocation of Brantford Power Inc. Please feel free to contact the undersigned should you have any questions.

Sincerely,
AECOM Canada Ltd.

Jim Flanigan, P.Eng., MBA
Associate Vice President, Buildings + Places
Manager, Kitchener Office
jim.flanigan@aecom.com

Distribution List

# of Hard Copies	PDF Required	Association / Company Name
	1	Brantford Power Inc.

Revision Log

Revision #	Revised By	Date	Issue / Revision Description
1	JF	November 20, 2015	Final Report

AECOM Signatures

Report Prepared By:

Jim Flanigan, P.Eng., MBA

Executive Summary

Brantford Power Inc. (BPI) is considering the purchase of the facility at 150 Savannah Oaks Drive with the intent to relocate their administrative and operations facilities from 84 Market Street, 220 Colborne St. and 400 Grand River Avenue to this facility. BPI had previously engaged AECOM to explore their future administrative and operational space need requirements to develop a space program for future application. That report was completed in November 2014.

On October 14, 2015, the AECOM team (architectural, structural, mechanical and electrical staff) conducted a review of the existing facility at 150 Savannah Oaks Drive. All of the building systems were found to be suitable for the proposed occupancy by BPI. Mechanical rooftop units, while functional and code-compliant, were noted to contain R22 refrigerant. This refrigerant is being phased out of production by 2020. We recommend replacement of these units as part of the building improvements.

The available office space on the ground floor is more than adequate in terms of area for BPI's requirements including the BPI affiliate companies. We recommend that BPI occupy the ground floor to leave the second floor available to another tenant. We note that while use of the available space for a data centre was considered, data centre floor loading requirements would be substantially more than what the second floor is currently designed for. The second floor office space would be leased to a conventional office use tenant. If the space was to be shared by more than one tenant, a separate corridor would be required to provide the required access to exits for each tenant. For the purpose of this report only one tenant is considered on the second floor.

Due to the existing column spacing in the Technical Demonstration Centre (TDC) area, circulation of larger vehicles will be somewhat restricted. Two options are presented including partial demolition of the second floor of the TDC to create a second vehicle exit door to create an adequate circulation path.

The concrete floor slab in the TDC is constructed flat with only minimal drains. Use as a vehicle storage area would require replacement of at least part of the floor slab and provision of a sloped floor with drains.

Ample space is available for parts storage in either Option 1 or Option 2 of the TDC layout.

The exterior yard storage required by BPI is in conflict with the zoning bylaw requirements for the site. The concept site plan prepared indicates an area of exterior storage screened with a landscape berm. This proposal will need to be approved by the Committee of Adjustment through the Minor Variance process. There is no guarantee that this Minor Variance would be approved.

Class D estimates of building and site improvement costs are provided for the two concept designs as follows:

Vehicle Storage – Option 1 + Office Building + Site Improvements = $4.47 million

Vehicle Storage – Option 2 + Office Building + Site Improvements = $4.22 million

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1. Introduction

Brantford Power Inc. (BPI) is considering the purchase of the facility at 150 Savannah Oaks Drive with the intent to relocate their administrative and operations facilities from 84 Market Street, 220 Colborne St. and 400 Grand River Avenue to this facility. BPI had previously engaged AECOM to explore their future administrative and operational space need requirements to develop a space program for future application. That report was completed in November 2014.

The goals of this study are to:

- Apply the space program developed in November 2014 to the proposed facility at 150 Savannah Oaks Drive.
- Comment on building modifications that would be required to accommodate BPI.
- Consider implications of incorporating a data centre into the surplus floor area of the building.
- Develop a concept design for the proposed relocation of staff and operations.
- Develop a high level estimate of the construction cost of the recommended renovations.
- Comment on the operating costs of the facility.

Our review consisted of reviewing the available original design drawings provided by Wescast and a visual review of accessible exposed surfaces and equipment only. No equipment testing or material testing was completed. No inspection openings were created to access concealed areas.

2. Site Assessment Findings

On October 14, 2015, the AECOM team (architectural, structural, mechanical and electrical staff) conducted a review of the existing facility at 150 Savannah Oaks Drive. The following is a summary of the key information gathered.

2.1 Architectural

2.1.1 Site

The property is located at 150 Savannah Oaks Drive in Brantford, Ontario. The facility was constructed in 2001. There has been no substantial upgrade or expansion aside from various interior office renovations since its inception. We understand that various tenants have occupied some of the office space as the original owner's needs changed over the years.

The site is bounded to the north by Provincial Highway 403 and to the west by Tallgrass Crescent. To the south is Savannah Oaks Dr. A storm water retention pond is provided along the north/east property line which services the entire parcel of land. The site has two points of entry, Savannah Oaks Dr. and Tallgrass Crescent.

The site contains a number of buildings and equipment that were purpose built for Wescast Industries. A two storey main building housing the administrative function, a connected accessory building containing the Technical Demonstration Centre (TDC) and dust collector equipment are all located on the site. The administrative and TDC buildings are hinged off axis from one another and connected by a two storey corridor. Parking is provided in front of the main entrance, accessed from Savannah Drive. A separate but related parking lot is provided in front the TDC building, which is accessed from Tallgrass Crescent. A driveway access is provided around the perimeter of the TDC building.

A visual condition assessment was completed for both the administrative and TDC building. The dust collection equipment was only observed based on use, function and location.

2.1.2 Technical Demonstration Centre (TDC)

The TDC is a steel framed building with an approximate gross floor area of 2,545m^2, which is at the North West corner of the site immediately adjacent to Highway 403 and Tallgrass Drive. The building is one storey with an open mezzanine of 712m^2 with a ceiling height of 8.5m. The building is a steel frame structure with a sub-frame to support the exterior wall assembly. The wall assembly is lined with steel clad insulated sandwich panels with concrete block along the lower 2.4m level. The exterior cladding is a combination of prefinished aluminum siding and prefinished aluminum frames with double glazing. The building has a glazed clear storey and corner curtain wall windows which provide an abundance of natural light in the building. A fully operational overhead bridge crane is provided along the full length of the facility (1 bay) with an approximate capacity of (5 ton). Washrooms, showers and change room facilities are provide for both genders. Testing laboratory rooms are located below the mezzanine. The floor to floor height is approximately 4500mm. A generator/compressor room and storage facility is located within the mezzanine. The mezzanine is accessible to the ground floor area by open stairs.

2.1.2.1 Roof System

The high roof is a built-up bituminous Roof (BUR) roofing system complete with an aggregate impregnated topping. Prefinished metal cap flashing is provided on all perimeter parapets. Internal drains provide the drainage of storm water. No other emergency run-off is provided (i.e. roof scuppers). The high roof appears to be in good condition and original to the building. The roof is generally free of ponding. Drains are clear and free of debris. Perimeter conditions are good. Minor ponding is present at the link roof with moss buildup present along the perimeter which indicates standing moisture. It is recommended that regular maintenance be provided; general cleaning of the roof of debris and moss will improve the life of the roof.

2.1.2.2 Exterior Walls and Assemblies

The exterior wall assembly for the TDC is steel frame construction clad with various materials. Concrete block infill, insulated sandwich panels and curtain wall framed widows are all composite parts of the system. The exterior wall finish consists of prefinished metal siding. As the scope of this assessment was visual it could not be verified whether the block infill wall assembly consisted of an air barrier, insulation and vapour barrier, nor could the condition of these items be confirmed.

The metal siding is in good repair with minor outdoor debris accumulating on the inside corner surfaces. The perimeter concrete blocks appear in good condition with no visible deterioration. It is recommended to provide additional protection when introducing vehicle storage in this facility. Bollards, safety tape and guards will all be required to minimize collision damage. Removal of some minor partitions would also facilitate increased area for vehicle maneuvering.

2.1.2.3 Exterior Doors

All exit doors are painted hollow metal. An electrically operated overhead door 4.3m (14’-4”) wide x 4.2m (14’-0”) high is provided at the West side. An electrically operated, insulated overhead door 2.4m (8'-0) wide x 3.0m (10’-0”) complete with auto dock levelling equipment is also provided.

The man doors are in good condition. The overhead doors appear to be in good condition. The insulated overhead door with dock levelling equipment is in good condition. It is recommended to provide regular hardware maintenance and repainting of exterior doors every 5-7 years to extend the expected life span.

2.1.2.4 Exterior Windows (Curtain Wall)

The clearstory and corner windows are aluminum curtain wall frames and double glazed units. The windows are original to the building and are in good condition. It is recommended to replace cracked sealants around the perimeter of the windows, jambs and sills. Inspect sealant around windows annually.

2.1.2.5 Interior Doors

A combination of solid core wood doors and fire rated painted hollow metal doors and frames are provided. The testing rooms doors below the mezzanine are all fire rated at 3/4hr, Corridor link doors are fire rated at 3/4hr. On the lower level, doors for the janitor room and sprinkler room are fire rated at 3/4hr.

All doors have lever action hardware which complies with barrier free requirements. The lower level office doors are complete with vision panels and are glazed with Georgian wire glass. Corridor link doors connecting the TDC building to the office building are complete with panic hardware and exits signs. Although current exit signs are acceptable and no change will be required, the 2012 Ontario Building Code (OBC) has new standards for barrier free exit signs. It is recommended to maintain the exit signs as is until a major renovation is planned.

2.1.2.6 Floor Finishes

The TDC has been provided with exposed concrete in the high bay area. A demarcated epoxy finish is provided along the safe circulation routes in the space. Rubber flooring with rubber bases are provided in laboratory rooms below the mezzanine. Porcelain tile is provided in the office and washrooms. There is porcelain tile flooring and wall base within the exit stairwells. The testing laboratory has been constructed with pits and steel grate flooring to accommodate Wescast equipment.

The high bay area concrete flooring is in good condition. The rubber flooring is in good condition. The Lab room flooring will require further cleaning and or renovation once Wescast equipment is removed. The Men’s washroom tile is in poor condition and missing grout in the showers. The women’s washroom is in good condition.

Additional floor drainage is recommended if introducing vehicular storage in the high-bay area. Trench drains along with a positive sloping floor will be required. It is recommended the men’s washroom tile be replaced with new. To increase the life of the remainder of the floor finishes regularly maintenance is required.

2.1.2.7 Wall Finishes

A combination of painted concrete block and painted drywall is provided. The high-bay area is generally in fair condition. General cleaning is required to remove metal dust from the perimeter high-bay surfaces. A new paint finish will improve lighting qualities in the space and should be performed every 10 years. In the office the painted concrete block is in good condition. Lighting levels appear to be adequate. The painted block laboratory room walls are in poor condition and if they are to remain will require renovation once Wescast equipment is removed, including new paint finish. It is recommended to repaint all finishes every 5-7 years to extend life span.

2.1.2.8 Ceilings

The high-bay area is constructed of an exposed metal deck complete with paint finish. It appears to be in good condition. Acoustic ceiling tiles are provided in all offices, the laboratory area and washrooms.

The acoustic ceilings tiles are original to 2001 construction. They are generally in good condition on the lower mezzanine level. There are a few locations on the lower level where discoloring was observed from metal filings produced in the high-bay area and lab testing areas. It is recommended to replace damaged and/or discoloured tiles. Acoustic ceiling tiles may require replacement on the lower level within the next 10 years. Ceiling tiles should be inspected regularly for water staining or damage. Men's washroom gypsum board ceilings are in poor condition. The shower ceiling is damaged through condensation, fasteners are rusting and paint peeling. It is recommended to replace the ceiling. As this may be attributed to a faulty exhaust system, further testing should be undertaken to ensure the exhaust systems run continuously.

2.1.2.9 Millwork

The major items of millwork are in the laboratory countertops and washrooms on the lower level. The casework is generally 5/8" to 3/4" plywood with plastic laminate finish.

The millwork is original to the building and is generally in good condition. The millwork is in good condition. Millwork could be made more functional for staff use and to allow for a barrier free counter. If the millwork is to remain, general cleaning is required. Washroom millwork does not meet current OBC requirements for barrier free access and is recommended to upgrade the facilities to meet current OBC standards.

2.1.2.10 Toilet Partitions

The prefinished metal partitions in men's and women's washrooms are in good condition. The men's and women's washroom on the lower level are equipped with fixtures designed for Wescast occupancy and are not barrier free accessible.

2.1.2.11 Fire Separations

The two storey TDC is classified as a Group F-3, sprinklered building. Both the TDC building and Office building are classified as separate buildings and are attached by corridor consisting of a 45min. fire separation at each end. A fire alarm has been installed. No fire resistance ratings (FRR) are required between floor and roof in the TDC building. The mezzanine is considered a second storey and has two exits provided to the exterior each with a 1hr. FRR. The space above is provided with open storage and open circulation. The compressor room has a one hour FRR. Service rooms below, include the electrical room have a 1 hour FRR.

Minor fire stopping may be required to maintain existing fire separations. A '0 hour' rated smoke separation between the offices and storage area will be required if they are to remain.

2.1.2.12 Barrier Free Accessibility

As per the current Ontario Building Code the building may be subject to barrier free requirements of Section 3.8. The scope of the alternations along with the requirements of Brantford Power, and discussions with the City of Brantford Building Department will determine whether barrier free washrooms will be required. Current washrooms are not barrier free accessible.

As early as 2016, the OBC (Ontario Building Code) and AODA (Accessibility for Ontarians with Disabilities Act) will be issuing Code updates. Although we do not know specifically what those are, we are anticipating changes to renovation standards, including stall dimensions and universal washroom requirements.

2.1.3 Office Building

The office building has an approximate 6,388m^2 gross floor area (GFA) organized on two floors. The building is sprinklered. The lower level has a GFA of 3,378m^2 and the upper level has a GFA of 3,010m^2.

The approach to the building is from the West. The public entry is located between the TDC building and administrative offices. Green space and hard landscaping are provided along this entry point. Upon entry, the offices are located in a central position and are directly accessed through the main entry and central stair. Open work spaces and private offices are provided further in through a transverse corridor. The 1st and 2nd floors are provided with interconnected floor spaces including the common cafeteria. Skylights throughout the main corridors provide additional natural light throughout. Private offices, meeting rooms and conference rooms are provided, complete with custom millwork, telecommunications and IT infrastructure. Amenities are provided in the form of commons areas; cafeteria, preparation kitchen, lunchroom, washrooms and storage.

2.1.3.1 Roof System

The high roof is a built-up bituminous roof (BUR) roofing system complete with an aggregate impregnated topping. Prefinished metal cap flashing is provided on all perimeter parapets. No emergency overflow scuppers are provided. On the lower level, including projections and entrance canopies, an EPDM roofing system is provided complete with external roof drains. Prefinished metal cap flashing is provided on all perimeter parapets.

The high roof appears to be in good condition and original to the building. The roof is generally free of ponding and blistering. Drains are clear and free of debris. Perimeter roof conditions are good. Minor ponding is present at the corridor link roof and a moss buildup is present along the perimeter and mechanical equipment which indicates standing moisture. It is recommended that regular maintenance be provided; general cleaning of the roof of debris and moss will improve the life of the roof.

The lower roofs are located over small projections and entrances canopies. They are provided with an EPDM roof system. Minor ponding is present around the drains and a buildup of debris and moss are present around the perimeter corners. It is recommended that regular maintenance be provided; general cleaning of roof of debris and moss will improve the life of the roof.

2.1.3.2 Exterior Walls & Assemblies

The exterior wall finishes and assemblies are constructed using a combination of aluminum composite panels, aluminum curtain wall systems and prefinished aluminum siding. Entrance features are constructed using exposed structure and an internal glazed aluminum curtain wall envelope. The building corners and common spaces are constructed with glazed curtain walls. Aluminum siding is provided above and below the horizontal glazed strip windows located at the open work areas. The wall assemblies are constructed as rain screen assemblies, which is typical with this type of construction. As the scope of this assessment was visual and no destructive tests where undertaken it could not be verified whether the infill wall assembly consisted of an air barrier, insulation and vapour barrier, nor could the condition of the wall assembly be observed.

The assemblies appear to be in good condition. The finishes were observed to be free of dents or scratches. Door weather seals appear to be in good condition. It is recommended to replace dry and cracked sealant around doors, sills and flashing. Perform regular maintenance of sealants every 2 years.

2.1.3.3 Exterior Doors

Glazed aluminum door and frames are provided at main entrance and main egress exits. Barrier free operators are provided at the main entrance and are compliant with current OBC standards. Side entrances, lunchroom common areas also have glazed aluminum doors and frames. Exit doors are painted hollow metal doors.

It is recommended that all main vestibule door thresholds be check for missing fasteners and loose grout. Ensure thresholds are firmly secured using stainless steel fasteners and are free of tripping hazards. Replace grout at door with sealant.

2.1.3.4 Exterior Windows

The strip windows, corner windows and aluminum curtain walls are constructed with prefinished aluminum curtain wall frames and double glazed sealed units. The windows are original to the building and are in good condition. It is recommended to replace cracked sealants around the perimeter of the windows, jambs and sills. Inspect sealant around windows annually.

2.1.3.5 Interior Doors

A combination of painted solid wood doors and frames and painted hollow metal doors and frames are provided. A number of doors are fire rated as indicated on the as-built drawings and are labelled as such. On the upper level stairwell exit doors are provided with a 3/4hr fire rating, service rooms including the electrical room in the central core have a 1.0hr fire rating. Corridor doors connecting the TDC building are hollow metal doors complete with panic hardware and exit signs. On the lower level doors to the corridor link are hollow metal doors complete with panic hardware and exit signs. General office and meeting room doors are solid core wood doors. All common egress doors are a glass door with chrome hardware and custom Wescast door handles. It is anticipated the door handles will be removed upon the Wescast exit; in this case, new barrier free hardware will be required. If Wescast handles remain it is recommended the hardware be removed and replaced with barrier free hardware.

2.1.3.6 Floor Finishes

Floor finishes in the office building vary from carpet tile, vinyl composite tile and ceramic tile. The upper level common area including corridors, service areas, board rooms, and meeting rooms are finished with carpet tile. Private offices and open office areas on both floors are also finished with carpet tile. The main entrance ground floor, common areas including the servery, preparation areas, washrooms, service rooms and kitchenette are provided with ceramic tile flooring complete with a ceramic tile base.

Carpet tile is original to the building and is in good condition. Ceramic tile is also original and in good condition. Regular cleaning of carpets and ceramic tile may extend the life of the material. It is recommended to undertake a general cleaning and sealing of all ceramic tile and grout.

2.1.3.7 Wall Finishes

A combination of painted concrete block and painted drywall was provided in the original construction. The cafeteria preparation areas incorporate ceramic tile accent wall finishes. All exit corridors are painted concrete block.

The upper level and the lower level office and lunch areas appear to be original to the building construction. The painted surfaces are in generally good condition. It is recommended to repaint walls within high traffic areas where

drywall surfaces have been marked and damaged. Repainting all finishes should be undertaken every 5-7 years to extend the life span.

2.1.3.8 Ceilings

A combination of acoustic ceiling tile ceilings and areas of exposed ceilings with accent gypsum board bulkheads are provided throughout the office and commons areas. The clerical open office area at reception, common cafeteria and meeting rooms are provided with acoustic tile ceilings and perimeter gypsum board bulkheads. The board room is fitted with a stepped gypsum board ceiling with a paint finish.

The acoustic ceiling tile and gypsum bulkheads on the upper and lower level are original to the building. They are generally in good condition on both levels. There are a few locations on the upper level where staining was observed, possibly from the roof or skylight leak.

2.1.3.9 Skylights

The round skylights in the main common area appear to be in good condition. Skylights in the main office areas, above the interconnected floor spaces are in good to fair condition due to a visible sign of leaking on the ceiling tile. Further inspection is required to determine whether this is a problem with the skylight of roof structure that has been repaired. The skylight recesses are fitted with radiant heat panels.

2.1.3.10 Millwork

The major items of millwork are the reception counter on the lower level, common service areas including cafeteria bar, copy area, kitchenette and mail room. The board room, training room and washroom vanities also are provided with millwork. The casework is generally 5/8" to 3/4" plywood with plastic laminate finish and wood veneer for the finish. Office door frames and sidelights are framed in wood and are also in good repair.

The millwork is original to the building and is in good repair. The reception desk millwork counter is in good repair, although a lower level reception counter for barrier free accessibility is not provided. Current OBC Standards require barrier free accessibility at public counters. Although for minor renovations such as this it will not be a mandatory requirement it is still recommended as this entrance will be the main public entrance space.

2.1.3.11 Toilet Partitions

All washrooms on the lower and upper level are provided with full height, gypsum board partitions. All partitions are original to the construction in 2001 and are provided with a painted finish. They are in good condition. It is recommended to repaint all finishes every 5-7yrs to extend the life span.

2.1.3.12 Fire Separations

The two storey office building is classified as a Group D – office building, sprinklered. The building has a lower level gross floor area of 3,378m^2 and an upper level gross floor area of 3,010m^2, totaling a gross floor area of 6,388m^2. The building is sprinklered and is provided with a fire alarm. The building is of non-combustible construction. No fire resistance ratings are required between floor and roof. Two existing emergency exits are provided to the exterior each with a 1hr. fire resistance rating. Service rooms, including the electrical room have 1 hour fire separations.

2.1.3.13 Barrier Free Accessibility

As per the current OBC the building is subject to Barrier free requirements of section 3.8. The entrance vestibule doors are compliant for barrier free standards and are equipped with barrier free door operators. The main reception counter is not fitted with a barrier free counter. The lower level men's and women's washrooms are not equipped with barrier free stalls. There is a barrier free universal washroom on the lower level which satisfies the barrier free requirement. The upper level men's and women's washrooms are barrier free accessible. There is an elevator accessible for staff between the two levels.

It is recommended to modify the reception counter to provide a barrier free counter. As early as 2016 additional OBC and AODA (Accessibility for Ontarians with Disabilities Act) will require changes to renovated buildings. Although we do not specifically know which items will apply, signage and barrier free bathroom stalls are anticipated for change. It is recommended to provide additional barrier free requirements to meet future Code requirements.

2.2 Structural

2.2.1 Technical Demonstration Centre (TDC)

Foundations for the TDC area are combination of cast-in-place concrete spread footings and strip footings. Numerous pits are present for various processes used by Wescast Industries.

The ground floor structure is a heavy concrete slab-on-grade reinforced with welded wire mesh.

The second floor structure is constructed of a structural steel frame supporting a reinforced concrete slab floor in the heavy use areas. Stair landings and other lighter use areas are constructed of a structural steel frame supporting a composite concrete on steel deck floor. The available structural drawings indicate that the second floor was designed for the following loads:

Dead Load = 95 pounds per square foot (psf)
Partition Load = 20 psf
Live Load = 200 psf

The roof structure is constructed of open web steel joists on a structural steel frame supporting a conventional steel deck roof. The available structural drawings indicate that the roof is designed for the following loads:

Dead Load = 25 psf
Misc. Load = 15 psf
Live Load = 30 psf snow plus drift

The layout of the snow drift around mechanical units is indicated on the drawings. Mechanical unit weights are indicated on the drawings.

A 5-ton bridge crane is supported on structural steel runway beams in one bay.

Lateral loads in the both directions of the TDC are resisted through vertical steel cross bracing at selected grid-lines as indicated on the structural drawings.

The building was not designed as a post-disaster building. While the Ontario Building Code does not specifically require a building housing an occupancy such as BPI's intended use to be designed to post-disaster levels it is

important to note the difference. A post-disaster building such as a police station or fire station is designed for approximately 25% higher snow load, 25% higher wind load and 50% higher seismic load than other buildings not classified as post-disaster. It is not practical to reinforce an existing building to meet the post-disaster requirement.

All visible and accessible elements of the structure were observed to be in good condition with no evidence of structural concern noted.

2.2.2 Office Area

Foundations for the office area are combination of cast-in-place concrete spread footings and strip footings.

The ground floor structure is a light concrete slab-on-grade reinforced with welded wire mesh.

The second floor structure is constructed of open web steel joists on a structural steel frame supporting a composite concrete on steel deck floor. The available structural drawings indicate that the second floor was designed for the following loads:

Dead Load = 71 pounds per square foot (psf)
Partition Load = 20 psf
Live Load = 50 psf

The roof structure is constructed of open web steel joists on a structural steel frame supporting a conventional steel deck roof. The available structural drawings indicate that the roof is designed for the following loads:

Dead Load = 23 psf
Misc. Load = 83 psf (concrete under roof top units) or 25 psf (paving stone walkways)
Live Load = 30 psf snow plus drift

The layout of the paving stone walkways and snow drift around mechanical units is indicated on the drawings. Mechanical unit weights are indicated on the drawings.

Lateral loads in the east-west direction at the south end of the office building are resisted primarily through moment frames at selected grid-lines as indicated on the structural drawings. Lateral loads in the east-west direction at the north end of the office building are resisted through a series of reinforced concrete block masonry shear walls. Lateral loads in the north-south direction are resisted through a series of reinforced concrete block masonry shear walls.

The office building was also not designed as a post-disaster building. The same comments as in Section 2.2.1 above apply here.

All visible and accessible elements of the structure were observed to be in good condition with no evidence of structural concern noted. Several exterior steel columns supporting canopies on the north side of the building exhibited moderate surface corrosion at the base. Regular maintenance (rust removal and repainting) is required.

2.3 Mechanical

2.3.1 Plumbing and Drainage

The building is municipally serviced by a separate 75mmØ (3"Ø) potable/domestic water service which enters the building in the sprinkler/mechanical room located in the east corner of the TDC wing. The service includes a water meter with a valved bypass, and three (3) double check valve assemblies (DCVA). The DCVA's are for the building potable water, plant water and the irrigation system. The building potable water system includes a duplex water softener consisting of two (2) resin tanks and a single brine tank and a duplex reverse osmosis (RO) system consisting of cartridge filters, ultraviolet light filters, storage tanks, and pressurization pumps. The water softening and RO systems are also located in the sprinkler/mechanical room.

Potable hot water is provided primarily by a single Lochinvar natural gas water heater, rated at 52.7kW (180.0MBH) input with an estimated thermal efficiency of 80%, located in the sprinkler/mechanical room. Domestic hot water is stored in an adjacent thermally insulated, Lochinvar 1200L (318gal.) vertical storage. The system includes two (2) inline centrifugal pumps, one (1) circulating the water heater and the storage and the other provided domestic hot water recirculation. Flue gas venting and the combustion ventilation air ductwork appear to be in generally satisfactory condition at this time however the installation is not in accordance with the Ontario Building Code. Both the flue gas vent and the combustion/ventilation air ductwork penetrate the required fire separation of the sprinkler/mechanical room contravening the required fire separation. Based on the available information this system provides domestic hot water for the TDC wing and most of the office wing.

A supplementary source of potable hot water serving the eastern washroom groups (ground and second floors) of the office wing is provided by a single John Woods 4.5kW electric, 490L (130gal) tank type water heater located in a second floor janitor's closet. This supplementary domestic water heater does not include a domestic hot water recirculation system.

Visible potable water piping consists of thermally insulated copper piping complete soldered fittings and joints throughout both the TDC and office wings. Isolated random locations of missing thermal insulation and water staining were observed indicating potential previous repairs.

Sanitary waste for the building is provided by three (3) building drains, based on the available drawings. The TDC wing includes a single building drain leaving the wing in the southeast corner and the office wing includes two (2) building drains leaving in the southwest corner and the southeast corner. The building includes a single submersible sanitary sump pump located in a ground floor utility room which services the elevator pit. No information pertaining to this pump was available either during this visual review or in the available drawings. Visible sanitary waste and vent piping consists of a combination of thermally insulated and uninsulated carbon steel, copper and chrome plated piping complete with mechanical joints, soldered and threaded fittings and joints, respectively.

Storm drainage for the building is provided by four (4) building drains, based on the available drawings. The TDC wing includes two (2) building drains leaving the building at the southwest and northeast ends of the wing and the office wing includes two (2) building drains leaving in the west and east ends of the wing. Visible storm drainage piping consists of a combination of thermally insulated and uninsulated carbon steel piping complete with mechanical jointed fittings and joints. Roof drains through both wings of the building appear to be generally satisfactory condition at the time of this review with no evidence of blockages and/or vegetation growth. We note that isolated roof drain domed grates were missing and should be replaced to protect the drainage system.

Plumbing fixtures throughout the building include a combination of vitreous china floor mounted flush tank water closets, vitreous china wall hung hands free flush valve urinals, countertop hands free lavatories, built-in showers stainless steel sinks with manual faucets, semi-circular wash sinks, floor mounted moulded floor sinks and water-

coolers. All fixtures appear to be generally good condition with minimal to no evidence of staining and/or damage. Plumbing fixtures located within the commercial kitchen include stainless multi-compartment sinks, stainless steel and vitreous china wall hung lavatories and a stainless steel ware washer. The kitchen also includes a floor recessed grease interceptor. All fixtures appear to be in good condition at the time of this visual review, with some evidence of hard water staining.

The building is municipally serviced with a 68.9kPa (10psi) natural gas service located on the building exterior at the northeast corner of the TDC wing. The service is metered and reduced to 13.8kPa (2psi) 150mmØ (6"Ø) and distributed to the TDC wing process equipment, infrared heaters, packaged rooftop equipment, and domestic water heater and the office wing boilers. The gas pressure is further reduced to 3.5kPa (14"w.c.) prior to the appliance served and the regulators are vented to the building exterior. Visible natural gas piping consists of black steel piping with a combination of threaded and welded fittings and joints.

2.3.2 Fire Suppression

The building is municipally serviced by a separate 150mmØ fire service which enters the building in the sprinkler/mechanical room located in the east corner of the TDC wing. The service does not include a double check valve assembly (DCVA) which is required according to the Ontario Building Code and CSA B64. The fire suppression system includes four (4) wet sprinkler zones complete with alarm valves and electrically supervised isolation valves in the sprinkler/mechanical room. The sprinkler header further includes three (3) valved and capped connections for future wet sprinkler zones. The fire department siamese connection and water motor gong are located on the building exterior of the sprinkler/mechanical room and is located in general accordance with the requirements of the Ontario Building Code. Sprinkler coverage throughout the building is provided by means of a combination of upright, pendant, concealed and wall type sprinkler heads located strategically throughout the building spaces. The office wing includes interconnected floor spaces which include closely spaced perimeter sprinkler heads and draft stops. The wet sprinkler systems appear to be in general accordance with the National Fire Protection Association (NFPA) Standard No. 13.

The building fire suppression system also includes strategically located wall mounted and semi-recessed mounted portable fire extinguishers throughout the building. The majority of the extinguishers appear to be generally class ABC multi-purposes extinguishers, however class BC and D extinguishers were also observed in the electrical rooms, commercial kitchen and TDC wing respectively. Size, placement and classification of the portable fire extinguishers appear to be in general accordance with the requirements of NFPA No. 10.

The server and telecommunication rooms located on the second floor of the office wing also include clean agent fire suppression systems consisting of a floor mounted suppressant canister, two (2) nozzles, black steel distribution piping and activation devices (ie. pull stations and heat detectors). The systems serve the individual room the system is located within and the raised floor space below. The system arrangement appears to be in general accordance with the requirements of NFPA No. 76 and 2001.

The kitchen cooking equipment hoods include an 'ANSUL' wet chemical fire suppression system consisting of a wall hung suppressant canister, discharge nozzles, black steel distribution piping and cabled activation devices. The system arrangement appears to be in general accordance with the requirements of NFPA No. 96.

2.3.3 Heating, Ventilating and Air-Conditioning (HVAC)

Heating and ventilation is provided to the TDC wing production areas of the building by means of a combination of natural gas fired infrared tube heaters, hydronic force flow unit heaters, and a natural gas fired make-up air unit. The natural gas fired make up air unit is located centrally on the wing roof, including all associated supply air ductwork.

The supply air ductwork consists of elevated rigid round galvanized steel complete with a spray applied thermal insulation to the entire length and circumference. The ductwork penetrates the roof in eight (8) locations and to 900mmØ (36"Ø) supply air diffusers located at high level within the TDC process space distributes the treated air supply throughout the space. The space further includes several process exhausts consisting of a variety of fan types and sizes serving the various pieces of equipment. The natural gas infrared heaters are located at the perimeter of the process area to provide space heating in the two storey space. The hydronic force flow unit heaters provide space heating to all other spaces. The process space further includes several high level intake louvres along the southwest elevation of the wing which are interlocked with general exhaust fan(s) for additional space ventilation.

HVAC to the TDC wing administration areas is provided by a single Trane natural gas fired heating, direct expansion cooling packaged rooftop unit with a rated capacity of 3,492LPS (7400cfm) airflow, 142.0kW (485.0MBH) heating input with a thermal efficiency of 80% and a cooling capacity of 90.0kW ((308.0MBH) 25.7tons), based on the available information provided. The ventilation system consists of several variable air volume (VAV) terminal boxes complete with hydronic reheat coils of various sizes. Visible supply, return and exhaust air ductwork consists of combination of thermally insulated and uninsulated rigid galvanized steel ductwork throughout. Supply air diffusers and return air grilles consist of four way square diffusers and egg crate grilles of various sizes. Sanitary exhaust to the shower and change room areas is provided by roof level centrifugal exhaust fans. We note that the exhaust system appeared to not be operating at time of this review and evidence of high humidity levels (ie. paint peeling and blisters) were noted within the change rooms.

HVAC to the office wing is provided by means of five (5) Trane packaged rooftop units complete with hydronic heating coils and direct expansion cooling. The unit capacities, based on the available are as follows:

Designation	Serving	Supply Airflow LPS (cfm)	Heating kW (MBH)	Cooling kW (MBH (Tons))
RTAC-1	Ground & Second Floor East	9,184 (19,460)	102.5 (350.0)	189.7 (647.8 (54.0))
RTAC-2	Ground & Second Floor East Central	8,495 (18,000)	102.5 (350.0)	179.2 (612.1 (51.0))
RTAC-3	Ground & Second Floor West Central	6,843 (14,500)	87.8 (300.0)	143.2 (488.9 (40.7))
RTAC-4	Ground & Second Floor West	7,056 (14,950)	102.5 (350.0)	157.8 (538.9 (45.0))
RTAC-5	Kitchen & Cafeteria	2,855 (6,050)	142.2 (485.5)	88.5 (302.3 (7.4))

The existing rooftop units were installed as part of the original construction and are therefore currently 14 years old. BOMA's guidebook for best practices indicates that this type of equipment typically has an estimated useful life expectancy of 18-20 years, which is dependent upon the level of maintenance performed. Therefore the existing rooftop equipment are nearing the end of their estimated useful life expectancy. Furthermore the existing equipment utilizes R22 refrigerant as the medium for air conditioning. Federal legislation adopted as part of the Montreal Protocol of 1989, implemented the phase out of Chlorofluorocarbons (CFCs) and Hydro chlorofluorocarbons (HCFCs), which are ozone depleting substances. Refrigerant R22 (chlorodifluoromethane) is a HCFC ozone depleting substance scheduled to be phased out. In Canada as of the year 2010, no new equipment can be manufactured or imported and the allowable imported volume of refrigerant has been reduced to only 25% of the 1996 baseline. As of the year 2015 this volume will be reduced to 10% and 0.50% by the year 2020.

The ventilation systems consist of variable air volume (VAV) terminal boxes complete with hydronic reheat coils of various sizes capacities. Visible supply, return and sanitary exhaust air ductwork consists of combination of thermally insulated and uninsulated rigid galvanized steel ductwork throughout. Supply and return air duct mains located on the building roof consists of elevated rigid round galvanized steel complete with a spray applied thermal insulation to the entire length and circumference. Supply air diffusers and return air grilles consist of a combination of four way square diffusers, linear bar diffusers and egg crate grilles of various sizes. Sanitary exhaust to the washrooms and janitor's closets are provided by roof level centrifugal exhaust fans. Perimeter supplementary heating corresponding to glazed areas and skylights is provided by means of hydronic radiant ceiling panels of various lengths.

The hydronic heating system serving the both the TDC and office wings consists of two (2) Lochinvar natural gas fired boilers located in the ground floor mechanical room in the office wing. Each boiler rated for 527.1kW (1,800.0MBH) input, with a thermal efficiency of 84%. The hydronic system operates with a primary (boiler) loop and secondary (building) loop consisting of a single inline circulating pump for each boiler and two (2) vertical inline pumps (duty/standby) serving the building. The hydronic system further utilizes a 50% ethylene glycol solution, as indicated by the building operator in lieu of the 25% solution indicated on the drawings, as the heating medium. We note that the increased glycol solution density will decrease the amount of heat transfer available and increase the pumping requirements. During our visual review both boilers has their side panels removed, however no visual indications of service work was evident. The boilers are of the original building construction and appear to be in generally satisfactory condition at this time with an estimated remaining life expectancy of 11 years. Flue gas venting of the boilers is provided by means of a single flue gas vent up through the building roof and consists of type B, double wall vent pipe. During our visual review, portions of the double wall venting have been removed and/or failed and have been repaired utilizing a foil heat resistant duct tape. This method of repair is not in accordance with CSA B149.1 (Gas Utilization Code), the gas authorities' requirements and the manufacturer's installation requirements. The flue gas venting system includes an exhaust fan which maintains the vent under negative pressure to prevent back venting through the second appliance.

Visible heat transfer piping consists of a combination of thermally insulated and uninsulated black steel piping with threaded and flanged fittings and joints. Isolated random locations of missing thermal insulation and staining were observed indicating potential previous repairs.

Air conditioning to the server and telecommunication rooms is provided by means of a combination of Liebert vertical fan coil units with remote air cooled condensing units and Mitsubishi wall and ceiling cassettes with remote air cooled condensing units. All equipment was observed to operating utilizing R22 refrigerants.

The building heating, ventilating and air conditioning systems are controlled by means of Trane Tracer building automation system (BAS) with the computer located in the building operator's office within the TDC wing. Based on discussions with the building operator the system appears to be operating satisfactorily, however it was noted that the computer and monitor are in poor condition and obsolete.

2.4 Electrical

2.4.1 Power Distribution

Main power to the site is provided from the 27.6kV overhead utility service running along Savannah Oaks Drive, South of the property. The overhead medium voltage service lines are transitioned into an underground concrete encased duct bank and consist of three 1c# 2/0 – 28kV XLPE insulated medium voltage primary cables, feeding the main transformer.

The main transformer is an outdoor pad-mounted delta-wye 27.6kV to 600/347V, 3000/4000kVA rated unit with resistance grounded neutral. Transformer secondary cables connect to the main service entrance switchboard DP-1 located on the second floor of the TDC Building in Electrical Room 278 via cable tray.

Building power distribution is a 4000A, 3 phase, 4 wire 600V resistance grounded system. The main power distribution switchboard DP-1 serves the TDC wing electrical loads and provides a 1200A feed to the Office wing.

A 150kW, 3 phase 600V natural gas fueled generator located at the TDC building mezzanine level provides emergency backup power in case of utility power failure via an automatic transfer switch. The automatic transfer switch is equipped with isolation/bypass features which allow for servicing of the switch without interruption to the facility.

It is our assessment that the current electrical service can easily accommodate the power requirements of the future office and TDC wing loads. The electrical installation seemed well maintained and neither code compliance issues nor electrically hazardous conditions were identified. Adequate spare space exists in the electrical panels for new electrical services, should modifications to the electrical system be required. The main distribution panel DP-1 circuits that feed the TDC wing production floor arc furnaces, welding and CNC equipment used in the current manufacturing process will be redundant and therefore can be disconnected, freeing up further system capacity and circuit breaker space.

2.4.2 Building Lighting

Lighting levels seemed appropriate for the intended use throughout the building. No under lit or excessive lighting conditions were experienced during the visit.

The Office wing lighting system mainly consists of recessed compact fluorescent lighting fixtures in the corridors and linear fluorescent lighting fixtures in the office spaces. The lighting fixtures provide a comfortable ambient lighting level suitable for most office environments, have a modern contemporary appearance and should not require replacement in the coming 10 years. Office wing lighting is controlled through lighting relay panels with manual switch input. Dual circuit light control schematic provides automated switching of lighting fixtures designated as emergency lights.

The TDC wing production area utilizes HID high bay light fixtures for the production floor lighting and industrial grade fluorescent light fixtures on the mezzanine level. Quantity of production area HID fixtures may be reduced in the future as current lighting levels are designed for manufacturing operations and may be higher than required for less demanding operations.

2.4.3 Emergency Lighting

Emergency lighting and exit fixtures operate on generator back-up circuits. Exit lights are standard ceiling or wall units. Emergency lighting fixtures are standard lighting fixtures along the egress path operating on dual circuit light control scheme. Placements of the exit signs meet the Ontario Building Code requirements; however exit signs may need to be upgraded to the new “Green Running Man” standard to fully comply with updated OBC exit sign requirements. The Emergency lighting system was not tested and emergency lighting levels were not measured for the purpose of this review.

2.4.4 Fire Alarm

The main fire alarm panel is located at the west entrance of the building and provides coverage for the Office and TDC areas. A 60 zone EST panel is provided that monitors manual pull stations, duct smoke detectors and sprinkler system devices. There are 27 spare programmable fire alarm zones remaining on the fire alarm. Electronic horns are utilized for signalling a fire alarm condition in the Office wing and combination horn and strobe units are utilized in the TDC wing. The Ontario Building Code requires visual signal devices in addition to audible signal devices to be installed in corridors, public gathering areas and areas of high ambient noise; therefore the Office wing area shall have the audible signal units upgraded to strobe and horn combination units.

2.4.5 Data and Communications

There is a provision for fibre optic cable in a direct buried 100mm PVC duct running up to the second floor data server room for internet access. The building telephone system utilizes the VOIP – voice over internet protocol. Office spaces and workstations are provided with standard Ethernet data cabling and outlets.

2.4.6 Building Security

The building is monitored by a Mirtech International security system complete with a video surveillance CCTV system and 6 outdoor cameras monitoring strategic building areas. The building maintenance manager advised that Mirtech International has gone out of the business; however several competing companies have the ability to provide maintenance and servicing of the existing system components.

3. Building Code Review

Based on a review of the available architectural drawings, the original building was designed as two separate 2-storey buildings separated by a 2-storey link. The office building was designed according to the requirements of the Ontario Building Code (OBC) 3.2.2.54 Group D up to 3 Storeys sprinklered. The TDC was designed according to OBC 3.2.2.77 Group F-3 up to 4 Storeys spinklered. Both of these classifications are appropriate for the proposed use of the building by BPI.

The link between the two buildings is required to be of non-combustible construction and to have a 45 minute fire separation at each end. The existing link meets these requirements.

Since the building has a functioning sprinkler system, more than one tenant is allowed without the need to construct any additional fire separations. We note that the existing open stairways and small atrium spaces do create a possible security concern if the two floors were occupied by separate entities. This is an operational issue to be addressed rather than a building code concern.

If the proposed plan involved more than one occupancy on either floor, then a fire safety plan would be required to ensure that adequate exits were provide for each tenant.

4. Zoning Bylaw Review

Under the City of Brantford Zoning Bylaw the property is zoned M3-5 Industrial. The proposed use of the property by Brantford Power is allowed under the bylaw with the exception of outdoor storage which is specifically prohibited. Gaining approval to use a portion of the site as outdoor storage would require at a minimum approval of a Minor

Variance Application by the Committee of Adjustment. Provision of a berm and extensive landscape screening is suggested to support such a Minor Variance Application; however, there is no guarantee that any form of screening would be acceptable to the Committee of Adjustment. The Minor Variance Application process includes a period of at least 30 days where the application is made public so that neighbouring property owners are aware of the application and have an opportunity to register their concerns, if any, with the City prior to a decision being made.

Given that the property received site Plan Approval prior to the original construction, and BPI does not require any additional exterior modifications that would governed by the Zoning Bylaw, no other restrictions have any impact on the proposed plan.

5. Concept Plan

We have developed a concept site plan and building plans that accommodate the various spaces and equipment areas identified below from our November 2014 report. Please refer to Appendix A, B and C for these concept plans.

Administrative Space	1,370m^2
Affiliate Space	130m^2
Stock Room	690m^2
Indoor Vehicle Storage	1,250m^2

Subsequent to that report, we confirmed the specific vehicle storage requirements with BPI. We were provided with a list of 10 vehicles, complete with dimensions where indoor storage is preferred.

5.1 Site Plan

The concept site plan in Appendix A identifies space of approximately 3.46 acres for exterior yard storage of poles, transformer vaults and other large material. The existing outdoor yard storage area at 400 Grand River Avenue is approximately 3.91 acres. From previous discussions with BPI we understand that the yard storage area could be consolidated somewhat if required. There is far more land available at 150 Savannah Oaks Drive; however, we recommend that the minimum required be indicated as yard storage due to the expected difficulty of obtaining a Minor Variance for this use.

254 parking spaces are available which is more than sufficient for all BPI staff and an anticipated second tenant. Ample driveways, circulation space and turning radii are provided for all vehicles including trucks pulling pole trailers.

A berm and landscape screening are indicated on the concept Site Plan around three sides of the yard storage area. This is the minimum that would be required for the Minor Variance to possibly be approved.

Security fencing and exterior yard lighting would also be required.

5.2 Office Plan

Through discussions with BPI it was determined that the ground floor space is recommended for use by BPI to improve operational efficiency. This is achieved by keeping related functional groups closer to each other on the ground floor. The available area for BPI administrative use is 2,323m^2 which exceeds the required amount of 1,380m^2. We have indicated a portion of the Ground floor (130m^2) that would be assigned to the affiliate companies

of BPI. The second floor of the office building is designed for a Live Load of 50 psf which is normal for office use. If the second floor was to be converted to a data centre use, it is very likely that the racks of equipment and back-up power units would substantially exceed this loading allowance. To avoid costly reinforcement of the floor structure, from a structural perspective, we recommend that a data centre not be placed on the second floor. The second floor would be intended for occupancy by one other tenant. Should more than one tenant occupy the second floor, it is likely that an additional exit corridor would be required to meet the life safety requirements of the Ontario Building Code.

Even if the second floor has only one formal tenant, maintaining the boardroom and other smaller adjacent meeting rooms as common space to the building creates the need for two formal exits from this space. The existing open circulation stair would need to be enclosed in a fire separation to serve as one formal exit. The concept plan indicates a corridor extension from the common area to the existing stair to allow that stair to serve as the second formal exit.

We have not included any cost allowance for upgrading/replacement of architectural finishes or other renovations throughout the office space. Depending on the layout in a detailed design exercise, there may be some other costs required.

As mentioned in Section 3 above, the open internal stairs and smaller atrium areas may need to be modified to provide the desired level of security between BPI and other tenants depending on the requirements of those tenants. We have not included these enclosures in the cost estimates in this report.

Existing common areas on the ground floor, such as the reception, cafeteria, and washrooms would remain accessible to all building occupants. It is assumed that operation of the cafeteria would be leased out to a private operator.

As previously discussed the existing packaged rooftop units have approximately six (6) years of remaining useful life and therefore replacement should be anticipated by the year 2021. Furthermore the existing units utilize a refrigerant which is being phased out of production by the year 2020 and therefore replacement components and refrigerant recharges will become increasingly more difficult and costly. We recommend that this equipment be replaced with new energy efficient and environmentally ‘green’ equipment of similar capacities. This equipment as discussed previously provides heating by means of a heated ethylene glycol solution through hydronic coils. The existing building incorporates a large capacity natural gas service which may be redistributed to serve the new packaged rooftop equipment in lieu of the hydronic coils, once the TDR wing equipment is no longer required. The hydronic system will still be required for the indoor reheat coils and supplementary heating, but would be of a smaller capacity and therefore reducing the boiler requirements.

Eliminating the packaged rooftop hydronic heating coils will also eliminate the requirement of utilizing a glycol solution for the hydronic medium. Ethylene glycol is a code compliant heat transfer medium however it is considered to be toxic material and is required to be collected and disposed of in accordance with provincial legislation. System leaks due to pipe and/or component fatigue requires the solution to be collected and not discharged to the building drain. Building occupants within the areas affected by piping and/or equipment should be relocated until the toxic material is removed. Alternate non-toxic glycol mixtures are available should the hydronic heating coils in the rooftop units remain. It should also be noted that ethylene glycol cannot be utilized in spaces preparing and serving food such as the cafeteria unit (RTAC-5) and associated reheat coils and radiant panels.

5.3 Vehicle Storage Plan - Option 1

The existing column layout in the TDC creates some obstacles to smooth circulation of large BPI vehicles in the space. Option 1 (see Appendix C) was developed to improve circulation and allow 10 vehicles to park relatively easily in the space. In this option, a section of the existing mezzanine is removed to create a second means of egress for vehicles on the east side of the TDC. Structural and architectural modifications would be required to remove the exterior curtainwall, one column and a small section of roof framing. Finishes and supporting structure would be constructed in these areas to suit the revised layout with the additional overhead door. If necessary, additional vehicles could also be parked in the centre drive lane provided that operational procedures were in place to move certain vehicles if they obstructed another vehicle from leaving.

The concrete slab-on-grade in the TDC should be suitable for vehicle loads assuming the granular material below the slab is well-compacted. No evidence of settlement or excessive slab cracking was noted in the existing building. The steel trench covers are too light to support vehicle loads. The plate covers would need to be removed and the pits infilled as part of the renovation plan.

The concrete slab of the TDC is currently near flat with only a few local floor drains. If converted to use for BPI vehicle parking, the slab would be exposed to water from rain drippings or snow/slush melting in winter. If the slab remains as is, the water would pond creating a potential safety issue due to slip and fall. We recommend that at least the centre bay of the slab be removed and replaced with a new sloping slab and appropriate drains. We understand that BPI would consider an operational procedure whereby the remainder of the floor area would be maintained regularly to clean up any ponded water. In addition to this we recommend application of a slip-resistant epoxy floor finish on the existing slab-on-grade areas to remain.

The second floor of the TDC is generally designed for a Live Load of 200 psf. This is adequate for normal rack storage of smaller parts. A layout of proposed storage should be prepared to confirm that this design load is not exceeded. Heavier parts should be stored on the ground floor. In order to provide access to the second floor areas from the link to the BPI space on the second floor of the office building, a new steel elevated pedestrian access walkway is required. In Option 1, the area available for parts storage, including the ground floor and second floor areas, is approximately 731m^2. Our November 2014 report indicated a required stock room area of 691m^2.

The rooftop HVAC unit replacement noted in Section 5.2 above includes replacement of the units on the roof of the TDC.

The existing TDC wing includes numerous process exhaust systems, make-up equipment and outdoor air intake louvres which can be modified to suit the proposed vehicle storage as required. Vehicle gas detection alarms would be required.

5.4 Vehicle Storage Plan – Option 2

If the partial demolition of the second floor area and associated reconstruction to create the second truck egress point is not preferred, we developed Option 2 (see Appendix D) to illustrate that 8 vehicles could be parked in the space. The vehicles parked near the West overhead door would require some jockeying to exit the building. Again, additional vehicles could be parked in the centre drive lane if shunting of the vehicles was acceptable to allow others to exit. A reduced area of concrete slab replacement is required here with the slip-resistant epoxy floor finish applied to the remaining slab areas.

In Option 2, the area available for parts storage, including the ground floor and second floor areas, is approximately 1,073m^2. Our November 2014 report indicated a required stock room area of 691m^2.

The structural and mechanical system upgrades described in Section 5.3 would apply to this option as well.

6. Estimated Cost

A high level construction cost estimate for the recommended improvements is provided below. This should be considered a Class D cost estimate with an accuracy of plus or minus 30%. These estimates are based on 2015 dollars and are subject to change pending a detailed design exercise and will be affected by found conditions and information not currently available. Costs will also be affected by the building conditions remaining after Wescast removes their equipment from the building. At this point, it is not clear what, if any, of the existing process equipment and laboratory equipment is to remain. BPI may experience additional costs to remove surplus equipment or to address building finishes once current equipment is removed. Furniture costs, relocation costs and development fees are not included.

Vehicle Storage – Option 1 + Office Building + Site Improvements = $4.47 million

Vehicle Storage – Option 2 + Office Building + Site Improvements = $4.22 million

Please refer to Appendix E for a breakdown of these cost estimates.

7. Operating Costs

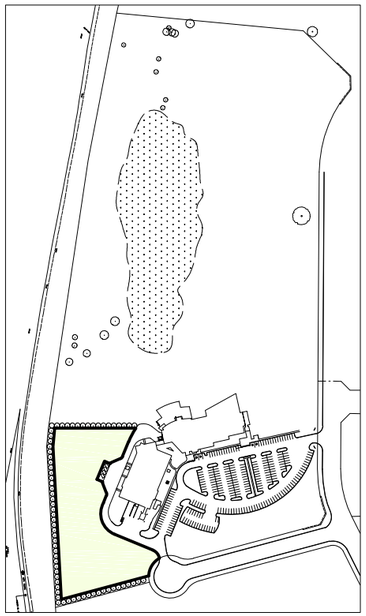
We received from Wescast Industries a report on operating costs of the facility for the years 2013, 2014 and a portion of 2015. Please refer to Appendix F for this table. If the building was occupied by BPI, we anticipate that the utility consumption would reduce significantly as the high electricity and natural gas demands of the Wescast testing facility would be removed. We expect that electricity consumption would reduce by approximately 70% from the 2013 levels. We anticipate that natural gas consumption would reduce by approximately 15% from the 2013 levels. There are several issues that will affect the anticipated utility savings:

- We don't know the split of provided utility consumption for normal building loads vs process loads.
- We assume that Wescast was using the full capacity at that time of natural gas and electrical services in 2013.
- We don't know what utility rates Wescast was paying in the various years.
- We don't know if the fluctuation in utility costs was due to changes in usage or changes in rates or a combination of the two.

This issue should be investigated in more detail to verify actual anticipated savings.

Appendix A

Concept Site Plan



□EY PLAN

AREA LEGEND

- PROPOSED OUTDOOR STORAGE AREA = 14,031 SQ.M. (3.46 ACRES)
- LANDSCAPE AREA
- BUILDING AREA

PROPOSED OUTDOOR STORAGE AREA (14,031 SQ.M.) (3.46 ACRES)

LANDSCAPE BUFFER □BERM

PROPOSED PERIMETER SECURITY FENCE

7.0□

LANDSCAPE BUFFER □BERM

LANDSCAPE BUFFER □BERM

PATIO

E□ISTING 2 STOREY OFFICE BUILDING

TEC□NICAL DEMONSTRATION CENTRE (□E□ICLE STORAGE)

E□. LANDSCAPE AREA

254 PAR□ING SPACES

SA□ANNA□ OA□S DRI□E

E□. LANDSCAPE AREA

TALLGRASS CRESCENT

1 PROPOSED SITE PLAN
DD-1 SCALE: 1:1000

AECOM
AECOM Canada Architects Ltd.

Brantford Power Spa□e Needs - 150 Savannah Oaks Drive

SITE PLAN
2015-11-09

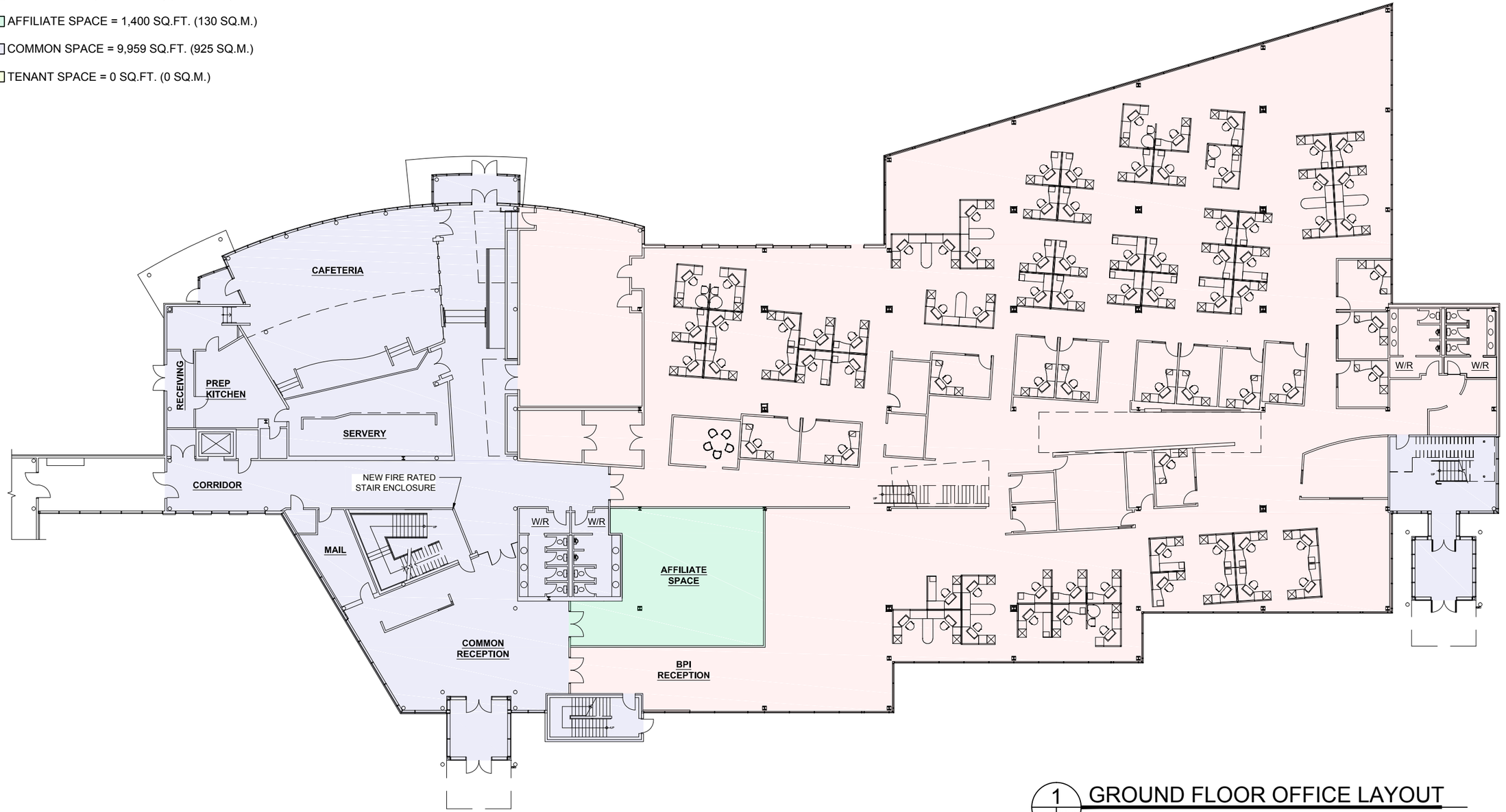
BRANTFORD power
Your delivery company

Appendix B

Concept Floor Plans – Office Area

AREA LEGEND

- BPI SPACE = 25,000 SQ.FT. (2,323 SQ.M.)
- AFFILIATE SPACE = 1,400 SQ.FT. (130 SQ.M.)
- COMMON SPACE = 9,959 SQ.FT. (925 SQ.M.)
- TENANT SPACE = 0 SQ.FT. (0 SQ.M.)



1 DD-2 GROUND FLOOR OFFICE LAYOUT

SCALE: 1:300 TOTAL AREA: 36,364 SQ.FT. (3,378 SQ.M.)

AECOM Canada Architects Ltd.

Brantford Power Spa□e Needs - 150 Savannah Oaks Drive

GROUND FLOOR OFFICE LAYOUT

2015-11-20

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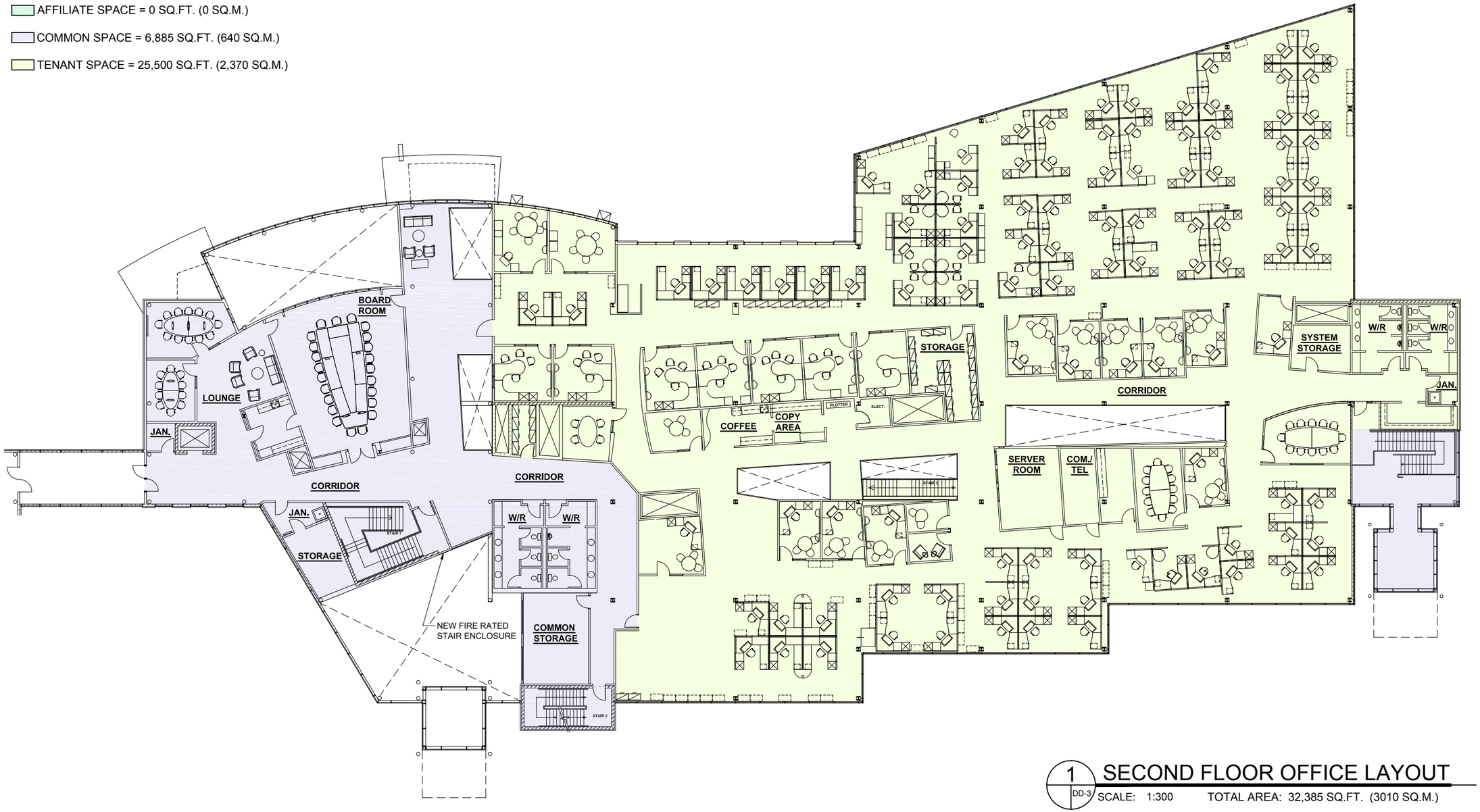
AREA LEGEND

- BPI SPACE = 0 SQ.FT. (0 SQ.M.)
- AFFILIATE SPACE = 0 SQ.FT. (0 SQ.M.)
- COMMON SPACE = 6,885 SQ.FT. (640 SQ.M.)
- TENANT SPACE = 25,500 SQ.FT. (2,370 SQ.M.)



1 DD-3 SECOND FLOOR OFFICE LAYOUT

SCALE: 1:300 TOTAL AREA: 32,385 SQ.FT. (3010 SQ.M.)

AECOM Canada Architects Ltd.

Brantford Power Spa□e Needs - 150 Savannah Oaks Drive

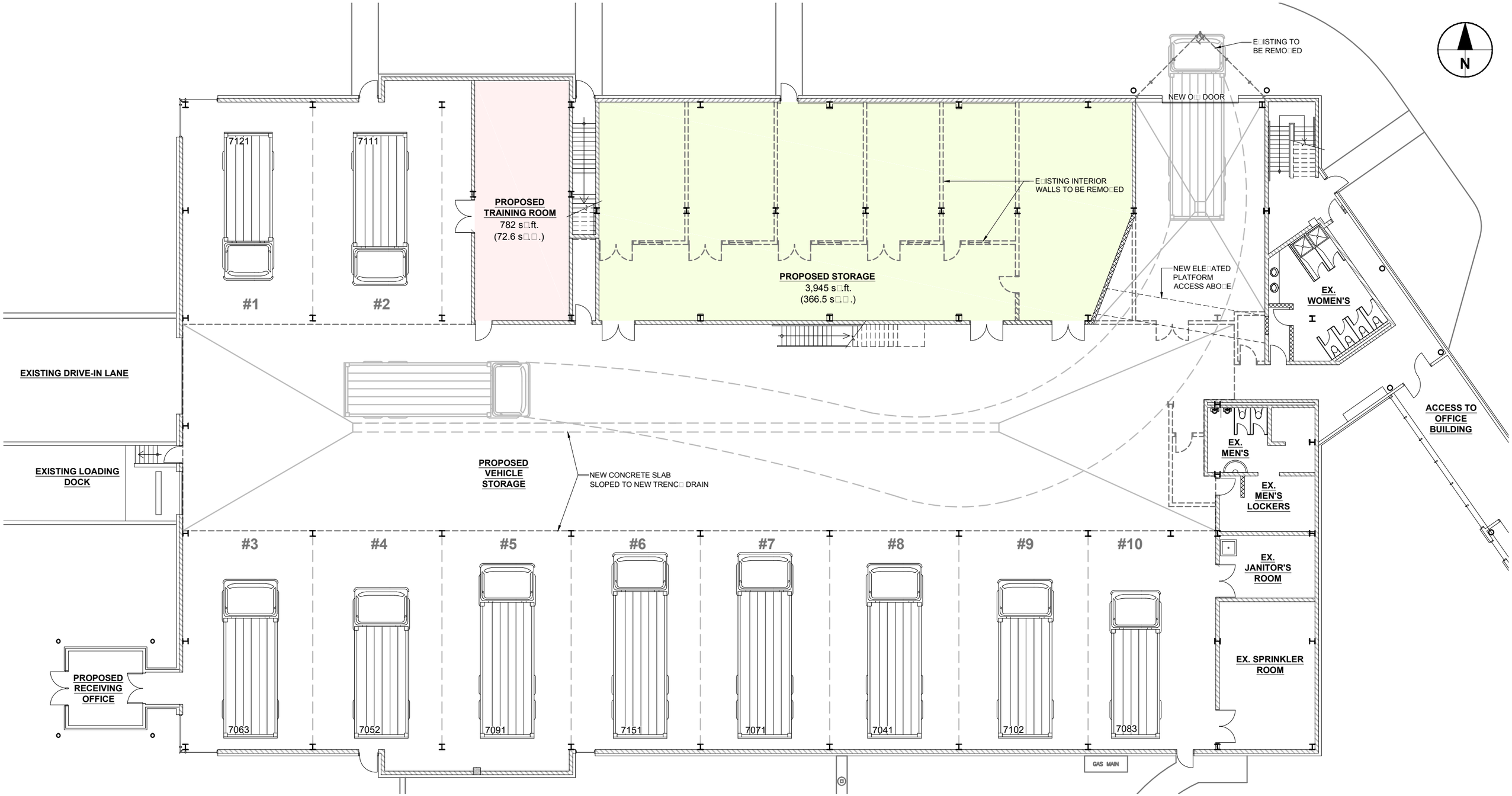
SECOND FLOOR OFFICE LAYOUT

2015-11-20

BRANTFORD power Your delivery company

Appendix C

Concept Floor Plans – Vehicle Storage – Option 1



1 DD-4 GROUND FLOOR VEHICLE STORAGE - OPTION 1

SCALE: 1:200

TOTAL AREA: 27,400 sq.ft. (2,545 sq.m.)

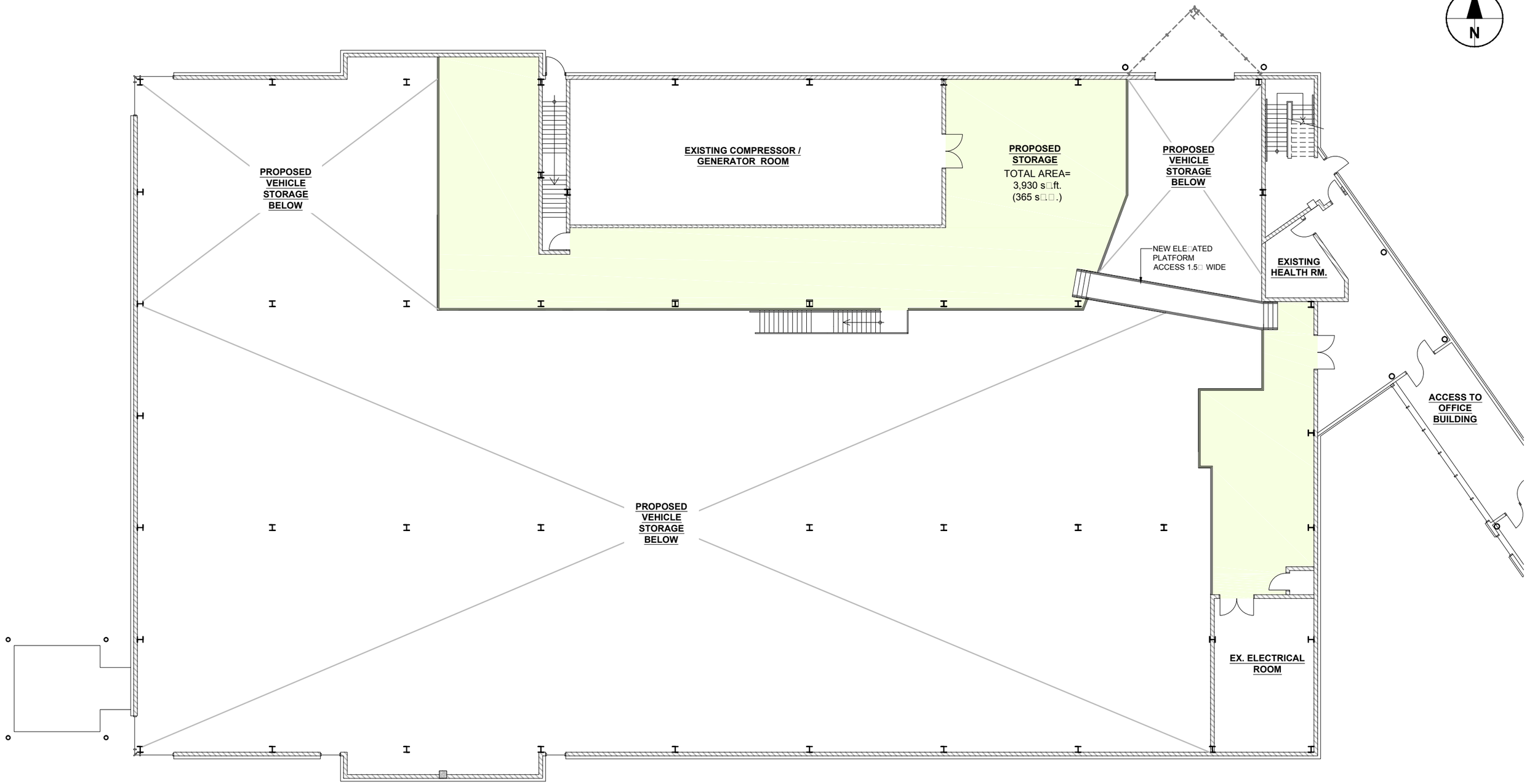
AECOM Canada Architects Ltd.

Brantford Power Space Needs - 150 Savannah Oaks Drive

INTERIOR VEHICLE STORAGE - OPTION 1

2015-11-20

BRANTFORD power Your delivery company



1 DD-5 ME□□ANINE PLAN - OPTION 1

SCALE: 1:200 TOTAL AREA: 6,480 s□.ft. (602s□.□.)

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Brantford Power Spa□e Needs - 150 Savannah Oaks Drive

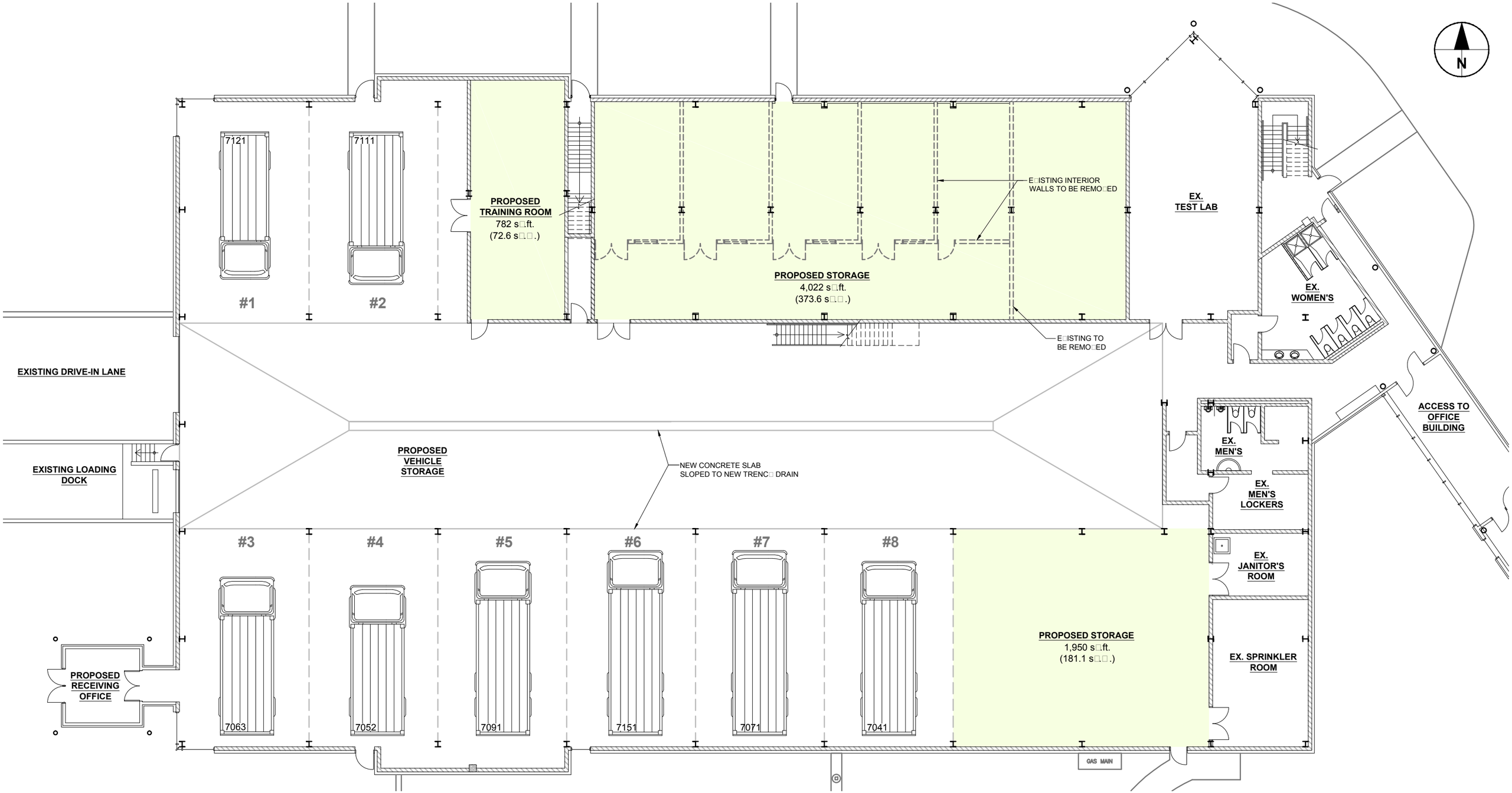
ME□□ANINE PLAN - OPTION 1

2015-11-20

BRANTFORD power Your delivery company

Appendix D

Concept Floor Plans – Vehicle Storage – Option 2



1 DD-6 GROUND FLOOR □E□ICLE STORAGE - OPTION 2

SCALE: 1:200

TOTAL AREA: 27,400 s□.ft. (2,545 s□.□.)

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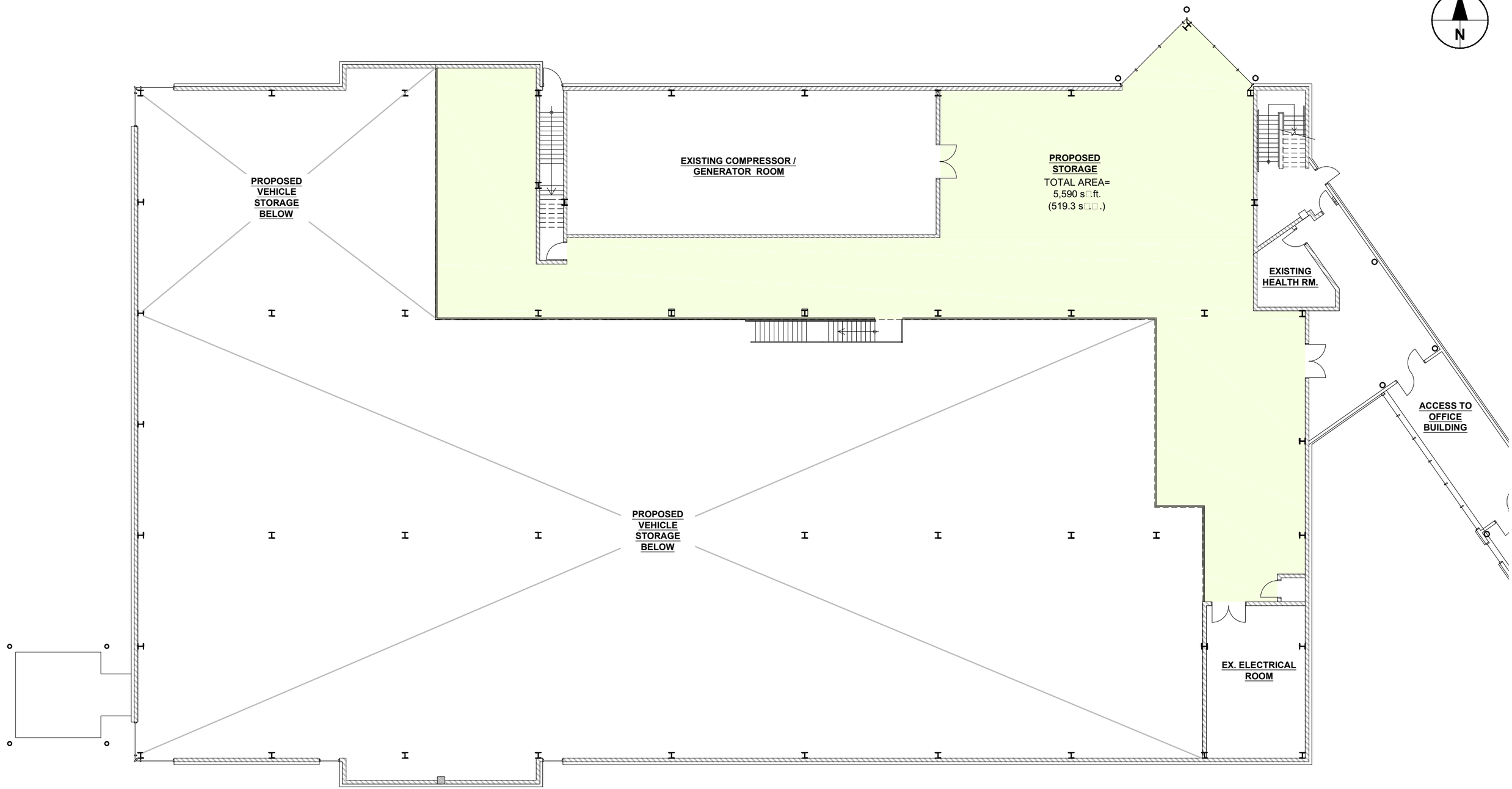
Brantford Power Spa□e Needs - 150 Savannah Oaks Drive

INTERIOR □E□ICLE STORAGE - OPTION 2

2015-11-20

BRANTFORD power Your delivery company



1 DD-7 ME□□ANINE PLAN - OPTION 2

SCALE: 1:200 TOTAL AREA: 7,663 s□ft. (712 s□□.)

AECOM Canada Architects Ltd.

Brantford Power Spa□e Needs - 150 Savannah Oaks Drive

ME□□ANINE PLAN - OPTION 2

2015-11-20

BRANTFORD power Your delivery company

Appendix E

Cost Estimates

Brantford Power
150 Savannah Oaks Drive
AECOM

20-Nov-15

Vehicle Storage – Option 1 + Office Building + Site Improvements

Description	Quantity	Unit	Rate ($/m²)	Total
TDC (Vehicle Storage)				
Demolish concrete block walls	402	m2	$40	$16,080
Remove portion of slab-on-grade	783	m2	$44	$34,452
Remove portion of mezzanine	136	m2	$175	$23,800
Overhead door and cladding	1	Allow.	$50,000	$50,000
Structural mods for overhead door	1	Allow.	$30,000	$30,000
Pedestrian cross-over walkway	1	ea	$7,500	$7,500
New concrete block walls	75	m2	$200	$15,000
Washroom modifications	1	Allow.	$25,000	$25,000
Bollards, Guards, Safety painting	1	Allow.	$30,000	$30,000
High-bay wall clean and paint	1	Allow.	$30,000	$30,000
Trench drain and sloped concrete	783	m2	$100	$78,300
Infill existing pits in truck bays	1	Allow.	$20,000	$20,000
Epoxy floor finish	870	m2	$180	$156,600
Engine Room pit infill	1	Allow.	$10,000	$10,000
Rooftop HVAC Unit replacement	1	Allow.	$300,000	$300,000
Ventialtion system modifications	1	Allow.	$45,000	$45,000
Boiler system improvements	1	Allow.	$75,000	$75,000
Double check valve assembly	1	Allow.	$6,000	$6,000
Fire Alarm upgrades	1	Allow.	$2,500	$2,500
Exit sign replacement	1	Allow.	$3,000	$3,000
Office Area				
Enclose exit stair	1	Allow.	$60,000	$60,000
Second floor exit corridor	1	Allow.	$40,000	$40,000
Reception for BPI/Affiliates	1	Allow.	$50,000	$50,000
Replace door hardware	1	Allow.	$5,000	$5,000
General cleaning	1	Allow.	$7,000	$7,000
Barrier free reception counter modifications	1	Allow.	$5,000	$5,000
Exterior main door threshold securement	1	Allow.	$100	$100
Repaint office walls - partial	1	Allow.	$10,000	$10,000
Column base repainting	1	Allow.	$1,000	$1,000
Rooftop HVAC unit replacement	1	Allow.	$950,000	$950,000
Boiler system modifications	1	Allow.	$75,000	$75,000
Fire Alarm upgrades	1	Allow.	$10,000	$10,000
Exit sign replacement	1	Allow.	$7,500	$7,500
Site (Yard Storage Area)				
Excavation and Removal	7000	m3	$15	$105,000
Granular B	6300	m3	$15	$94,500
Granular A	2100	m3	$20	$42,000
Lighting	1	Allow.	$100,000	$100,000
Landscape Screening/Berm	1	Allow.	$65,000	$65,000
Security Fencing	500	m	$160	$80,000
Servicing (CBs, storm drain, OGS)	1	Allow.	$100,000	$100,000
Net Estimated Building & Site Construction Costs				$2,765,332
Contractor's General Requirements / Profit	12%			$331,754
Net Estimated Contractor's Fees				$331,754
Cost Estimate Contingency	25%			$774,272
Net Estimated Contingency Allowances				$774,272
Consulting Fees	10%			$387,136
BPI Project Manager	3%			$116,141
Permits and Approvals	Allow.			$100,000
Total Estimated Construction Costs				$4,474,635

Brantford Power 9-Nov-15
150 Savannah Oaks Drive
AECOM

Vehicle Storage – Option 2 + Office Building + Site Improvements

Description	Quantity	Unit	Rate ($/m²)	Total
TDC (Vehicle Storage)				
Demolish concrete block walls	275	m2	$40	$11,000
Remove portion of slab-on-grade	660	m2	$44	$29,040
Bollards, Guards, Safety painting	1	Allow.	$20,000	$20,000
High-bay wall clean and paint	1	Allow.	$30,000	$30,000
Trench drain and sloped concrete	783	m2	$100	$78,300
Infill existing pits in truck bays	1	Allow.	$20,000	$20,000
Epoxy floor finish	870	m2	$180	$156,600
Engine Room pit infill	1	Allow.	$10,000	$10,000
Rooftop HVAC Unit replacement	1	Allow.	$300,000	$300,000
Ventialtion system modifications	1	Allow.	$45,000	$45,000
Boiler system improvements	1	Allow.	$75,000	$75,000
Double check valve assembly	1	Allow.	$6,000	$6,000
Fire Alarm upgrades	1	Allow.	$2,500	$2,500
Exit sign replacement	1	Allow.	$3,000	$3,000
Office Area				
Enclose exit stair	1	Allow.	$60,000	$60,000
Second floor exit corridor	1	Allow.	$40,000	$40,000
Reception for BPI/Affiliates	1	Allow.	$50,000	$50,000
Replace door hardware	1	Allow.	$5,000	$5,000
General cleaning	1	Allow.	$7,000	$7,000
Barrier free reception counter modifications	1	Allow.	$5,000	$5,000
Exterior main door threshold securement	1	Allow.	$100	$100
Repaint office walls - partial	1	Allow.	$10,000	$10,000
Column base repainting	1	Allow.	$1,000	$1,000
Rooftop HVAC unit replacement	1	Allow.	$950,000	$950,000
Boiler system modifications	1	Allow.	$75,000	$75,000
Fire Alarm upgrades	1	Allow.	$10,000	$10,000
Exit sign replacement	1	Allow.	$7,500	$7,500
Site (Yard Storage Area)				
Excavation and Removal	7000	m3	$15	$105,000
Granular B	6300	m3	$15	$94,500
Granular A	2100	m3	$20	$42,000
Lighting	1	Allow.	$100,000	$100,000
Landscape Screening/Berm	1	Allow.	$65,000	$65,000
Security Fencing	500	m	$160	$80,000
Servicing (CBs, storm drain, OGS)	1	Allow.	$100,000	$100,000
Net Estimated Building & Site Construction Costs				$2,593,540
Contractor's General Requirements / Profit	12%			$311,145
Net Estimated Contractor's Fees				$311,145
Cost Estimate Contingency	25%			$726,171
Net Estimated Contingency Allowances				$726,171
Consulting Fees	10%			$363,086
BPI Project Manager	3%			$108,926
Permits and Approvals	Allow.			$100,000
Total Estimated Construction Costs				$4,202,867

Appendix F

Operating Costs

wescast industries inc.
we innovate

Facility costs for January to August 2015

Description		Cost
Natural Gas	$	31,383.99
Electrical energy	$	130,868.42
Water	$	5,495.73
Landscaping/snow removal	$	25,005.40
Insurance - property	$	13,914.00
Janitorial services	$	47,054.32
Security expenses	$	1,425.65
Property Taxes*	$	221,759.87
Miscellaneous (elevator, environmental,)	$	11,156.09
Safety (Georgian Bay Fire & Safety)	$	3,223.50
Total cost for last 8 months	**$**	**491,286.97**
**Equipment repairs and maintenance	$	99,528.24

wescast industries inc.
we innovate

Facility costs for January to December 2014

Description		Cost
Natural Gas	$	53,341.30
Electrical energy	$	216,775.74
Water	$	8,704.08
Landscaping/snow removal	$	47,477.00
Insurance - property	$	29,791.00
Janitorial services	$	87,918.92
Security expenses	$	4,086.21
Property Taxes	$	336,302.85
Miscellaneous (elevator, environmental,)	$	12,710.48
Safety (Georgian Bay Fire & Safety)	$	3,585.00
Total cost for 12 months	**$**	**800,692.58**
**Equipment repairs and maintenance	$	130,892.65

wescast industries inc.
we innovate

Facility costs for January to December 2013

Description		Cost
Natural Gas	$	34,627.39
Electrical energy	$	224,199.23
Water	$	6,562.08
Landscaping/snow removal	$	44,765.63
Insurance - property	$	40,608.00
Janitorial services	$	95,626.91
Security expenses	$	9,924.34
Property Taxes	$	316,272.61
Miscellaneous (elevator, environmental,)	$	14,490.34
Safety (Georgian Bay Fire & Safety, Trane)	$	2,989.86
Total cost for 12 months	**$**	**790,066.39**
**Equipment repairs and maintenance	$	103,530.22

** NOTE: Natural Gas costs are mainly driven by our EES test burners in the TDC that run 24/7

** NOTE: Electrical Costs are driven by the use of furnaces running for Research and Development in our TDC

*Note, the property tax expense shown above <u>does not</u> include the vacancy rebate that we have received as follows:

- 2015 – rebate of $33,354.66
- 2014 - rebate of $14,456.86
- 2013 – rebate of $13,810.63

AECOM
50 Sportsworld Crossing Road, Suite 290 519.650.5313 tel
Kitchener, ON, Canada N2P 0A4 519.650.3424 fax
www.aecom.com

November 2, 2016

Mr. Paul Kwasnik
CEO
Brantford Power Inc.
P.O. Box 308
Brantford, ON N3T 5N8

Dear Mr. Kwasnik:

Regarding: Brantford Power Garden Ave. Site Cost Estimate

As you will recall, in 2014 AECOM prepared a concept design report for the proposed new operations centre. A concept building floor plan and site plan was developed that included the following key components: Administration Office, Stock Room, Vehicle Storage and Outdoor Yard Storage. In that report we included a high level construction cost estimate for the development of $13,700,000.

Since the 2014 report was completed, Brantford Power engaged AECOM to conduct various assessments related to a proposed site on Garden Avenue. These investigations included a Due Diligence Environmental report; Topographic Survey; Site Analysis and Geotechnical Investigation (complete with soil sampling and chemical testing). Note that no further refinement or development of the building layout has been conducted. Based on these additional investigations we have reviewed the estimated costs and prepared a revised budget of $14,500,000.

The primary changes since the 2014 estimate are the following:

- Escalated the building construction costs by 2% per year for 3 years to reflect a planned 2017 construction schedule.
- Updated the Siteworks estimate to reflect the specific site, based on the topographic survey and geotechnical report, and modified the site area to 9.9 acres.
- Updated the Permits and Approvals to reflect the 2016 City of Brantford Fee Schedule. The 2017 Fee Schedule is not yet available.
- Since we still do not have a final decision from GRCA on the status of the water feature, we continue to assume that it is not a watercourse under GRCA regulation for the purpose of this cost estimate.

This should be considered a Class D cost estimate with an accuracy of plus or minus 30%.

The budget is broken down by facility component in the table below.

Description	Quantity	Unit	Rate ($/m²)	Total
Administration Area	1500	m2	$2,800	$4,200,000
Stock Room	691	m2	$2,000	$1,382,000
Indoor Vehicle Storage	1254	m2	$2,000	$2,508,000
Siteworks	Allow.			$800,000
Furniture	Allow.			$400,000
Net Estimated Building & Site Construction Costs				$9,290,000
Contractor's General Requirements / Profit	12%			$1,114,513
Net Estimated Contractor's Fees				$1,114,513
Cost Estimate Contingency	25%			$2,601,128
Net Estimated Contingency Allowances				$2,601,128
Consulting Fees				$1,170,672
Permits and Approvals	Allow.			$315,000
Total Estimated Construction Costs				$14,491,314

Note that site acquisition costs are not included.

The general cost per square foot of the administrative space ($2,800/$m^2$ or $260/$ft^2$) and of the operations space ($2,000/$m^2$ or $186/$ft^2$) reflects a modern but relatively basic building designed to current energy efficiency standards. Energy efficiency requirements for all new buildings were substantially improved under the 2012 Ontario Building Code. Prior to this code issuance, buildings were required to meet 2 standards for energy efficiency – ASHRAE 90.1-2010 and the 1997 Model National Energy Code for Buildings (MNECB). The 2012 Ontario Building Code requires a 5% improvement over ASHRAE90.1 and a 25% improvement over the 1997 MNECB. Our cost estimates noted above would include a building that meets this basic requirement plus some elements in the spirit of LEED Silver standards. This estimate however, does not reflect a building that is fully LEED compliant and certified. For comparison purposes a fully compliant and certified LEED Silver building of this size would add approximately 5% or $725,000 to the overall cost. A LEED Gold building would add approximately 15% or $2.175 million to the overall construction cost.

We trust that this information meets your requirements. Should you have any questions regarding this letter, please call me.

Sincerely,
AECOM Canada Ltd.

Jim Flanigan, P.Eng., MBA
Vice President, Buildings + Places
Manager, Kitchener Office
jim.flanigan@aecom.com

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50 Sportsworld Crossing Road, Suite 290
Kitchener, ON, Canada N2P 0A4
www.aecom.com

519.650.5313 tel
519.650.3424 fax

July 25, 2017

Mr. Paul Kwasnik
CEO
Brantford Power Inc.
P.O. Box 308
Brantford, ON N3T 5N8

Dear Mr. Kwasnik:

Regarding: Brantford Power Garden Ave. Site Updated Cost Estimate

As requested, AECOM prepared an updated concept site layout for the proposed new operations centre including additional space for the proposed shared use by Energy + Inc. Please refer to the attached concept plan. Key components added to accommodate Energy + Inc. are the following:

- Secure indoor vehicle storage for 21 operations trucks
- Mechanics bay (to be shared with BPI)
- Separate male and female washroom/locker room
- Administrative space
- Additional meeting room/lunch room

The site area has been adjusted to 9.9 acres to match to final area of land purchased. The area of yard storage shown on the current plan is 21,200m^2. This is larger than the existing 15,832m^2 outdoor storage at yard storage area at BPI's facility. From our brief discussions regarding storage requirements for the shared yard, we believe that this should be sufficient The intent is that this storage yard would be shared between BPI and Energy + with no dividing line of security. The indoor parts storage warehouse is also intended to be a shared space. Management of the shared inventory would be coordinated between BPI and Energy +.

Based on the current schedule, construction is planned for 2018. We have escalated all costs by 2% to reflect this extension since our last estimate. Our revised estimate of the project cost is $22.69 million - refer to the table below for a breakdown of this amount by facility component.

Assumptions that continue to form part of our estimate are:

- The Permits and Approvals to reflect the 2017 City of Brantford Fee Schedule. The 2018 Fee Schedule is not yet available.
- We have had an initial discussion with the Grand River Conservation Authority regarding the status of the water feature. Based on this we assume that it would be considered to have low constraints meaning that the drainage path could be relocated as part of the site grading plan.
- The IT Room cost has been identified separately to reflect the additional cost of the assumed access floor requirement. Note that other potential IT Room elements such as servers, racks, cabling, cooling and clean agent fire suppression are not yet included as these would depend on the type and quantity of equipment in the room.

- Maintenance shop equipment and other items that were added by BPI since the last estimate are not included and need to be added again.
- The fueling station cost will vary depending on the amount and type of fuel to be stored and the sophistication of required control systems. Something in the order of $500,000 to $700,000 is reasonable to assume at this point. This is not included in the estimate below.

This should be considered a Class D cost estimate with an accuracy of plus or minus 30%.

Description	Quantity	Unit	Rate ($/m²)	Item Cost	Total
BPI Administration Area	1237	m2	$2,856	$3,532,872	
BPI Indoor Vehicle Storage	1205	m2	$2,040	$2,458,200	
BPI Ops Lunchroom / Meeting Room	60	m2	$2,856	$171,360	
BPI Ops Locker Rooms / Washrooms	70	m2	$3,000	$210,000	
BPI Roof Structure Upgrade to Support Future Solar Panels	Allow.			$300,000	
BPI Sitework	Allow.			$897,600	
BPI Office Furniture	Allow.			$408,000	
BPI Back-up Generator	Allow.			$300,000	
BPI IT Room	28	m2	$3,000	$84,000	
BPI Subtotal					$8,278,032
BHI Administration Area	150	m2	$2,856	$428,400	
BHI IT Room	116	m2	$3,000	$348,000	
BHI Subtotal					$776,400
E+ Administration Area	135	m2	$2,856	$385,560	
E+ Indoor Vehicle Storage	1205	m3	$2,040	$2,458,200	
E+ Lunchroom / Meeting Room	55	m2	$2,856	$157,080	
E+ Locker Rooms / Washrooms	70	m2	$3,000	$210,000	
E+ Subtotal					$3,210,840
Shared Mechanics Bay	250	m2	$2,700	$675,000	
Shared Stock Room	750	m2	$2,040	$1,530,000	
Shared Stock Room Racking	Allow.			$90,000	
Shared Subtotal					$2,295,000
Net Estimated Building & Site Construction Costs	4261				$14,560,272
Contractor's General Requirements / Profit	12%				$1,746,783
Cost Estimate Contingency	25%				$4,076,764
Consulting Fees					$1,834,802
Permits and Approvals	Allow.				$474,007
Total Estimated Construction Costs					$22,692,627

A MISSING ITEM TOTAL

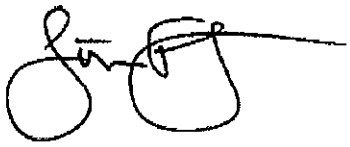
Note that:

- Site acquisition costs are not included.
- Fibre optic business line equipment not included.
- Equipment related to solar panel installation is not included.

The general cost per square foot of the administrative space ($2,856/m^2 or $265/ft^2) and of the operations space ($2,040/m^2 or $190/ft^2) reflects a modern but relatively basic building designed to current energy efficiency standards. Energy efficiency requirements for all new buildings were substantially improved under the 2012 Ontario Building Code. Prior to this code issuance, buildings were required to meet 2 standards for energy efficiency – ASHRAE 90.1-2010 and the 1997 Model National Energy Code for Buildings (MNECB). The 2012 Ontario Building Code requires a 5% improvement over ASHRAE90.1 and a 25% improvement over the 1997 MNECB. Our cost estimates noted above would include a building that meets this basic requirement plus some elements in the spirit of LEED Silver standards. This estimate however, does not reflect a building that is fully LEED compliant and certified. For comparison purposes a fully compliant and certified LEED Silver building of this size would add approximately 5% or $1.13 million to the overall cost. A LEED Gold building would add approximately 15% or $3.40 million to the overall construction cost. A LEED Platinum building would add up to 25% or $5.67 million to the overall construction cost. The actual cost of meeting the various LEED targets will vary depending on the types of credits included.

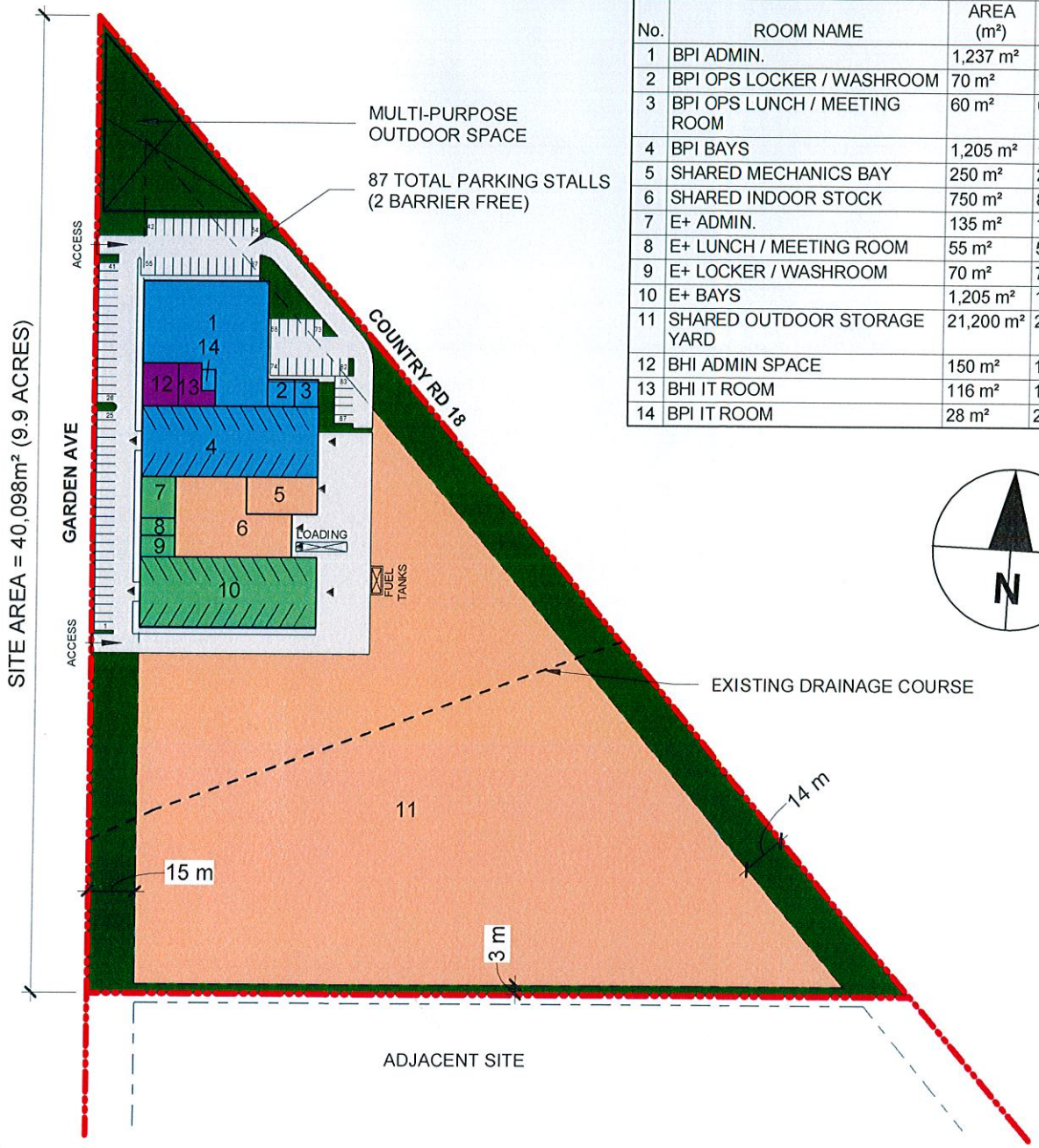
We trust that this information meets your requirements. Should you have any questions regarding this letter, please call me.

Sincerely,
AECOM Canada Ltd.



Jim Flanigan, P.Eng., MBA
Vice President, Buildings + Places
jim.flanigan@aecom.com

AREA SCHEDULE			
No.	ROOM NAME	AREA (m²)	AREA (ft²)
1	BPI ADMIN.	1,237 m²	13,312 ft²
2	BPI OPS LOCKER / WASHROOM	70 m²	750 ft²
3	BPI OPS LUNCH / MEETING ROOM	60 m²	648 ft²
4	BPI BAYS	1,205 m²	12,968 ft²
5	SHARED MECHANICS BAY	250 m²	2,688 ft²
6	SHARED INDOOR STOCK	750 m²	8,073 ft²
7	E+ ADMIN.	135 m²	1,458 ft²
8	E+ LUNCH / MEETING ROOM	55 m²	589 ft²
9	E+ LOCKER / WASHROOM	70 m²	757 ft²
10	E+ BAYS	1,205 m²	12,968 ft²
11	SHARED OUTDOOR STORAGE YARD	21,200 m²	228,192 ft²
12	BHI ADMIN SPACE	150 m²	1,611 ft²
13	BHI IT ROOM	116 m²	1,250 ft²
14	BPI IT ROOM	28 m²	299 ft²



0m 20m 40m 60m 80m 100m

VISUAL SCALE 1:2000

LINETYPE LEGEND

- PROPERTY LINE
- ZONED SETBACKS
- EXISTING DRAINAGE COURSE APPROX. LOCATION

LEGEND

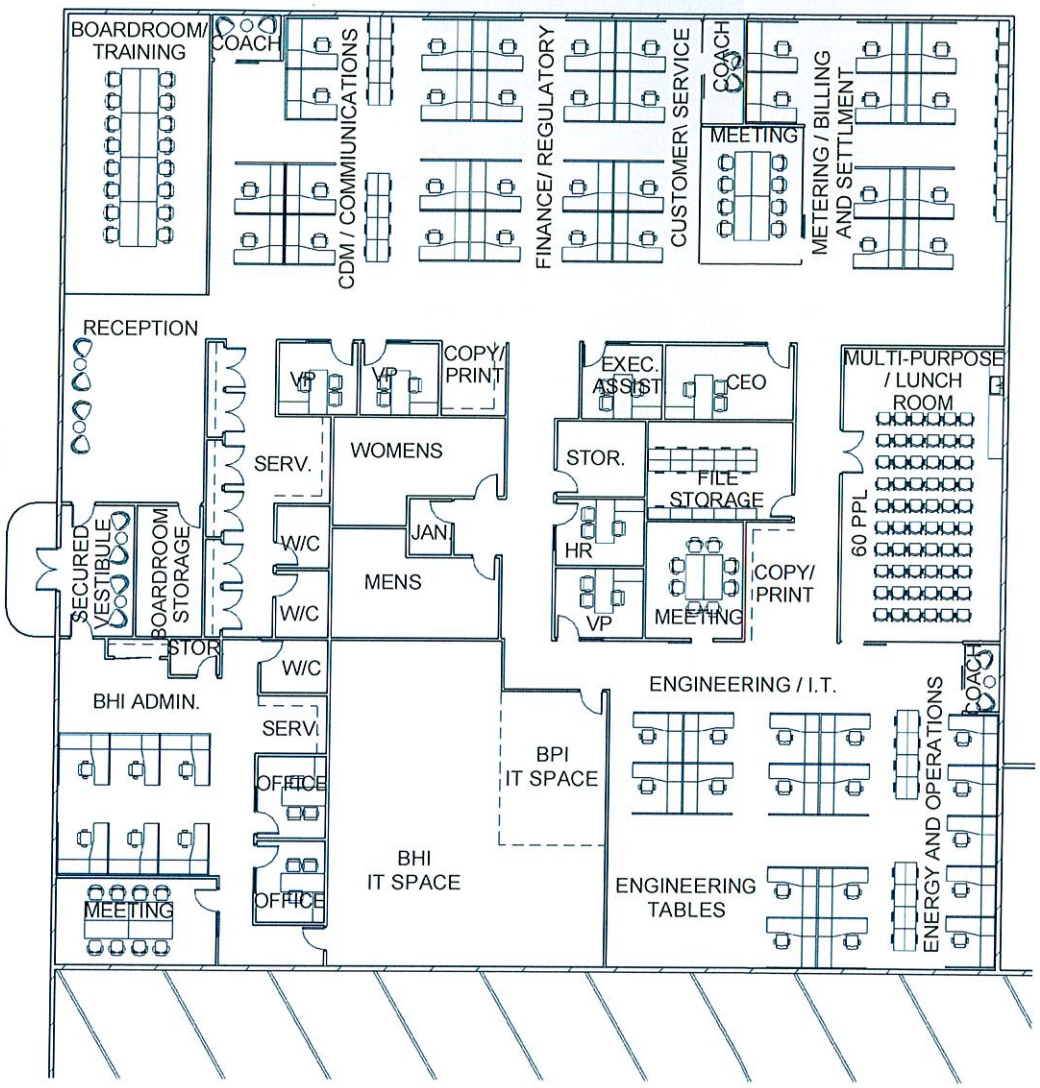
- BRANTFORD POWER INC. (BPI)
- BRANTFORD HYDRO INC. (BHI)
- ENERGY+ INC (E+)
- SHARED
- Calculating...

AECOM

BRANTFORD power
Your delivery company

ADMINISTRATION AREA

1500 SQ.M. (16,146 SQ.FT.)



0m 6m 12m 18m 24m 30m

VISUAL SCALE 1:300

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Interrogatory Attachment F

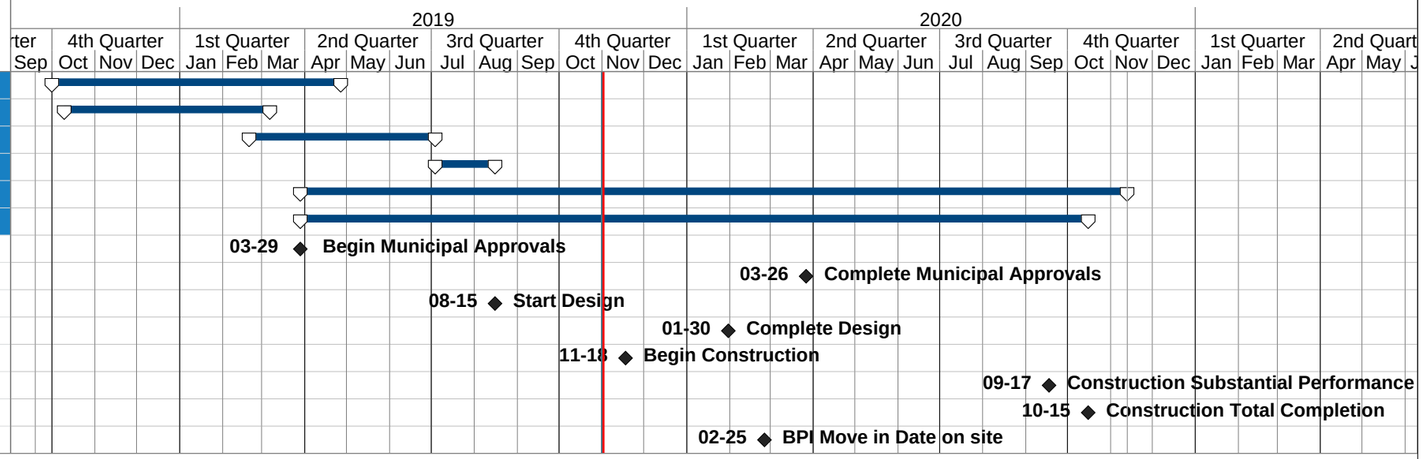
Updated Project Schedule

Savannah Oaks Renovation & Expansion

Brantford Power Inc

Preliminary Master Schedule

ID		%	Name	Duration	Start	Finish
1	✓	100%	**Real Estate Transaction**	150 days	2018-10-01	2019-04-26
7	✓	100%	**Due Dilligence Investigations**	106 days	2018-10-10	2019-03-06
59	✓	100%	**Procure Construction Manager**	96 days	2019-02-20	2019-07-03
66	✓	100%	**Procure Architect**	31 days	2019-07-04	2019-08-15
79		27%	**Design and Construction**	425 days	2019-03-29	2020-11-12
140		0%	**Summary of Schedule**	405 days	2019-03-29	2020-10-15
141	✓	*100%*	***Begin Municipal Approvals***	*0 days*	*2019-03-29*	*2019-03-29*
142		*0%*	***Complete Municipal Approvals***	*0 days*	*2020-03-26*	*2020-03-26*
143	✓	*100%*	***Start Design***	*0 days*	*2019-08-15*	*2019-08-15*
144		*0%*	***Complete Design***	*0 days*	*2020-01-30*	*2020-01-30*
145		*0%*	***Begin Construction***	*0 days*	*2019-11-18*	*2019-11-18*
146		*0%*	***Construction Substantial Performance***	*0 days*	*2020-09-17*	*2020-09-17*
147		*0%*	***Construction Total Completion***	*0 days*	*2020-10-15*	*2020-10-15*
148		*0%*	***BPI Move in Date on site***	*0 days*	*2020-02-25*	*2020-02-25*



Normal Task | Critical Task | Milestone | Summary Task | Baseline Plan