

**EXHIBIT 4:**

**OPERATING EXPENSES**

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## 2.4 EXHIBIT 4: OPERATING EXPENSES

### 2.4.1 OVERVIEW

NBHDL has proudly served the City of North Bay since 1941 and looks forward to continuing to play an integral role in the success, development and prosperity of our community.

In this Exhibit, the operating costs consist of the required expenditures necessary to maintain and operate NBHDL's distribution system assets, provide customer service activities, meter, bill, and collect from its customers, and ensure the safety of all stakeholders (public, employees, etc.). These costs enable NBHDL to maintain distribution service quality and reliability standards that are in compliance with the Distribution System Code and other regulatory bodies (OEB, IESO, ESA, and the Ministry of Energy, Northern Development and Mines) and continue to maintain the levels of reliability and service that our community and customers expect from NBHDL.

The years immediately following the last COS saw the company go through a substantial transition of the executive and senior management team starting in late 2017 that carried through to mid-2019. A new management team is now in place that has the same dedication and commitment to the community it serves as the previous leaders, positioning NBHDL to turn its focus to the future.

Through this transition, it became apparent that NBHDL needed to address resourcing requirements in order to properly position the business for the future, address areas that have lacked formal review and that require on-going attention, foster a culture of continuous improvement and accountability, and push to find further efficiencies in the business.

Approximately 60% of the requested increase in this application is related NBHDL's focus on properly staffing the utility in a manner that enables the company to meet the increasing needs and expectations of all its stakeholders: customers, the shareholder, and the regulator.

This rate application is about recognizing the position the utility is in and where it needs to go. Details on compensation can be found in the 'Workforce Planning and Employee Compensation' section further below.

NBHDL's 2021 Test Year operating costs are \$12,029,815 with the Operating, Maintenance and Administration (OM&A) costs comprising of \$8,565,938 excluding depreciation, LEAP and property taxes as summarized in Table 4-1 below.



**Table 4 - 1: Summary of OM&A Increases – 2015 Actuals – 2021 Test Year**

OM&A	2015 Board Approved	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Operations & Maintenance	2,502,736	2,368,931	2,499,939	2,369,875	2,297,928	2,755,008	2,981,844	3,642,089
Billing and Collecting	1,233,810	1,109,424	1,186,321	1,204,043	1,258,639	1,142,030	1,413,651	1,328,174
Administrative and General	2,693,183	2,734,855	2,720,684	2,857,176	2,683,244	2,791,843	3,057,332	3,595,675
<b>Total Recoverable OM&amp;A Expenses</b>	<b>6,429,729</b>	<b>6,213,210</b>	<b>6,406,945</b>	<b>6,431,094</b>	<b>6,239,812</b>	<b>6,688,882</b>	<b>7,452,827</b>	<b>8,565,938</b>
Depreciation/Amortization	2,489,076	2,458,520	2,503,354	2,702,874	2,725,452	3,038,439	3,120,296	3,348,110
Property Taxes	69,876	76,986	79,817	80,230	82,155	87,960	93,665	96,944
LEAP	16,700	14,550	16,700	15,560	15,560	15,560	15,560	18,823
Payment in lieu of Taxes	202,184	300,000	165,881	130,864	-	122,584	-	-
<b>Total Operating Expenses</b>	<b>9,207,566</b>	<b>9,063,266</b>	<b>9,172,697</b>	<b>9,360,622</b>	<b>9,062,979</b>	<b>9,953,425</b>	<b>10,682,348</b>	<b>12,029,815</b>

Table 4-2 provides a summary of NBHDL's OM&A/cost per customer amongst a group of peer LDCs from the OEB's annual Yearbook for 2017 through 2019. While NBHDL is not the lowest cost provider, and increases are seen on an annual basis, costs per customer have stayed consistently on the lower end of the scale.

**Table 4 - 2: OM&A per Customer and Customers per Km of Line**

	2019			2018			2017		
	Number of Customers	OM&A Per Customer	Customers per Km of Line	Number of Customers	OM&A Per Customer	Customers per Km of Line	Number of Customers	OM&A Per Customer	Customers per Km of Line
North Bay Hydro Distribution Limited	24,199	281.43	42.23	24,172	262.99	42.04	24,117	273.34	42.02
Halton Hills Hydro Inc.	22,528	284.79	13.36	22,442	274.40	13.68	22,195	274.60	13.49
PUC Distribution Inc.	33,647	340.90	45.59	33,613	345.15	45.42	33,579	346.94	45.38
Welland Hydro - Electric System Corp.	23,664	293.74	48.29	23,366	291.59	48.58	23,048	293.77	48.12
Westario Power Inc.	23,774	250.64	42.45	23,547	234.12	43.21	23,373	267.26	43.20
Festival Hydro Inc.	21,382	285.95	81.92	21,369	298.92	81.87	21,108	269.98	80.56
Bluewater Power Distribution Corporation	36,743	371.34	47.53	36,691	384.58	46.86	36,585	378.07	47.21
Essex Powerlines Corporation	30,393	243.16	18.81	30,012	251.70	65.67	29,756	233.45	65.40
ERTH Power Corporation	23,380	315.50	53.50	19,238	329.97	54.65	18,948	305.64	54.61

NBHDL's 2021 Test Year operating OM&A costs are \$8,565,938. Table 4-3 provides the main drivers to OM&A costs since NBHDL's last Board approved cost of service application in 2015 and the 2020 Bridge Year. The final column in Table 4-2 provides, for information purposes, a numerical reference to the NBHDL's core value(s) associated with each OM&A cost category align with the outcomes of the OEB's RRFE. The core value(s) associated with these numerical references are set out in Exhibit 1. Table 4-3 is intended to present significant changes only; minor changes have been included in the other miscellaneous category.

**Table 4 - 3: 2021 Test Year Drivers**

OM&A	2015 Board Approved	2020 Bridge Year	Core Values
<b>Opening Comparative OM&amp;A</b>	<b>\$ 6,429,729</b>	<b>\$ 7,452,827</b>	
Salaries, Wages & Benefits	1,259,091	403,004	All
Customer Engagement	102,820	98,030	1,4,5
Corporate Policies, Initiatives, and Strategy	150,000	40,000	All
Regulatory Applications and Assessments	48,127	130,182	5
IT Systems & Maintenance	52,278	43,450	1,4,5,6
Vegetation Management	260,033	106,353	2,3,4
Locates	140,248	55,495	4
Operational and Maintenance Programs	198,525	205,525	2,3,4
Other Miscellaneous programs	(74,914)	31,072	4
<b>2021 Test Year OM&amp;A</b>	<b>\$ 8,565,938</b>	<b>\$ 8,565,938</b>	

The OM&A costs in the 2021 Test Year reflect the resourcing mix and investments required to meet customer and broader public policy requirements for 2021-2025 term. Without this resourcing and the planned investments, NBHDL will struggle to meet 2021 and future workloads. These cost drivers are reflective of NBHDL's current business environment.

#### **2.4.1.1 SALARIES, WAGES & BENEFITS**

In 2015's COS filing, NBHDL proposed FTE count was 49. In the 2021 Test Year, NBHDL requires a complement of 53. Between 2017 and 2019 82% of management positions experienced turnover. At the end of 2019, a Communications Officer was brought onto the team to better understand and address customer needs and preferences, and three additional positions are forecasted to be added in 2021: an Administrative Assistant, an Operations Coordinator, and one position to cover the succession for the Operations Manager and Supervisor over the next five years. The majority of this turnover is a result of retirements and making adjustments to align with the changing needs of the business.

Although the business could use at least six additional positions to provide depth and ability based on customer engagement preferences for affordability, NBHDL has narrowed the request to the three additional positions referenced above. Many of the positions in the electric distribution industry are highly specialized and require several years of training for new staff to become proficient and comfortable completing tasks safely. NBHDL's staff has embraced the challenge of their new positions and have done an excellent job of coping with the change. Their positive attitude and outlook are why many efficiency improvements have been successfully implemented and the new workload shouldered without hiring

1 incremental resources, however, a sustainable solution that addresses increasing demands and  
2 expectations is required.

#### 3 **2.4.1.1.1 Cybersecurity and the NBHDL IT Department**

4 On March 15, 2018, the Ontario Energy Board ("OEB") issued a Notice of Amendments to the Ontario  
5 Transmission System Code and Distribution System Code to require licensed electricity transmitters and  
6 distributors in Ontario to use an industry-developed Ontario Cyber Security Framework to provide the OEB  
7 with information about cybersecurity and privacy maturity. The OEB's Framework is consistent with  
8 cybersecurity and privacy guidance issued by privacy commissioners, regulators and self-regulatory  
9 organizations, and with information security practices detailed in regulatory reports and data breach lawsuit  
10 settlements. The Framework assists licensed electricity distributors to assess their personal information  
11 practices and cybersecurity readiness against industry recommended best practices.

12 On November 18, 2020, the Communications Security Establishment published its second national threat  
13 assessment report, noting that:

14 *"[S]tate-sponsored actors are very likely attempting to develop the additional cyber capabilities*  
15 *required to disrupt the supply of electricity in Canada. Industrial control systems (ICS) are a type of*  
16 *OT that monitors and controls physical equipment in industrial or critical infrastructure processes.*  
17 *Especially in the electricity sector, ICS are targeted across the world, mostly by state-sponsored*  
18 *cyber threat actors. In 2019, Russia-associated actors probed the networks of electricity utilities in*  
19 *the US and Canada. Iranian hacking groups have targeted ICS infrastructure in rival nations,*  
20 *including the US, Israel, and Saudi Arabia. North Korean malware has been found in the IT*  
21 *networks of Indian power plants, and US utility employees have been targeted by Chinese state-*  
22 *sponsored cyber threat actors."*<sup>1</sup>

23 As of mid-2017, NBHDL had very little knowledge of the overall IT infrastructure, key applications, and how  
24 secure they were. At the time, NBHDL required a baseline understanding of all aspects of IT internally to  
25 ensure compliance with the OEB's cybersecurity requirements. To develop this understanding, NBHDL  
26 brought in a new Senior IT Manager with the skillset and experience necessary to begin the evaluation  
27 process. Outsourcing vs. in-house expertise was one of the first issues that was addressed.

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<sup>1</sup> Available online at (last accessed December 20, 2020): <https://cyber.gc.ca/en/guidance/targeting-safety-canadians>

1 The decision to outsource IT support functions or to keep the support in-house is evaluated on a case-by-  
2 case basis. There are opportunities and challenges to both strategies and they need to be weighed against  
3 each other to determine the best case. The business need drives the direction of the solution, IT must fulfill  
4 the need.

5 While outsourcing could bring benefits that included bringing in industry “best-practice” disciplines, elastic  
6 resourcing (ramp-up/down required resources as necessary), currency of skillsets and training, and  
7 competitive pricing. However, the challenges also included a lack of knowledge retention (institutional  
8 knowledge), immediacy of response (likely not on-site, other customer priorities), bureaucracy of processes,  
9 extensive contract and service management, and hidden “out-of-scope” costs. An additional risk of  
10 outsourcing is that there would be no easy path to bring functions back in-house as all of the knowledge  
11 and skills would be external to NBHDL. The final challenge was that it would only be after NBHDL built a  
12 baseline of in-house IT capabilities could it begin considering outsourcing (without in-house expertise,  
13 NBHDL did not have the technical capabilities and knowledge of best practices to best manage and monitor  
14 vendor performance).

15 In this context, one of the most substantial changes within the business was the development of the IT  
16 department, with the creation of three positions within the department; made possible through overall  
17 restructuring of various departments due to re-tasking, retirements, vacancies, and the end of an IT contract  
18 for support services. To in-source, the need was to balance some of the outsourcer skills with better  
19 responsiveness, internal flexibility (generalists with wide variety of skillsets), internal knowledge retention,  
20 and market-competitive compensation. Wages, the available talent pool (who will work for those wages),  
21 and the level of expertise are variables that were considered. It was also evident that NBHDL required in-  
22 house expertise to assess, and ensure, that it was able to meet the OEB’s cybersecurity requirements and  
23 begin to implement best practice guidelines.

24 Despite the cost of staffing, the decision was made to keep as much of the skills and knowledge in-house.  
25 While many aspects of the North Bay Hydro environment are already outsourced (external vendor  
26 supported applications, for example), the need to be the first-level and sometimes second-level support to  
27 business and customer requests outweigh the formality of outsourcing. As NBHDL has experienced,  
28 outsourcers work within tight rules and have multiple customers, thus multiple priorities, and are not as  
29 attentive to the needs of our business and customers as internal staff can be.

30 Once the evaluation of the IT department was complete, the decision was made to eliminate the IT Manager  
31 position and replace the position with an IT Analyst specializing in cybersecurity, networking, and bringing  
32 reliability and support to the NBHDL IT infrastructure.

1 Following this change the 3<sup>rd</sup> party IT contractor, provided by the City of North Bay, retired and a second IT  
2 Specialist position was created in-house to replace the contracted work. While this position is considered a  
3 net new position, the labour costs are offset by lower contracted services resulting in a net neutral cost to  
4 the business.

5 The final step in the strengthening of this department was the creation of the IT Specialist (Meter to Cash)  
6 position. This is a cross-departmental function that spans Billing (Finance), Metering (Engineering) and  
7 Specialty Services (IT). The role is a facilitation, coordination, and technical role to help drive and maintain  
8 the process from meter to cash. Due to its technical skillset, the role overlaps many IT skills and thus falls  
9 into the IT department. The IT department is now set-up to handle all needs of the business and, more  
10 specifically, to address the enhanced cyber security requirements with 1.5 FTEs focused on this at all times.  
11 These new IT positions are described in more detail in the 'Workforce Planning and Employee  
12 Compensation' section further in the exhibit.

#### 13 **2.4.1.1.2 New Resourcing Requirements**

14 Since the last COS application, three new positions have been added to NBHDL's resourcing compliment  
15 and an additional resource has been added to address succession in the Operations department that covers  
16 the 2021-2025 planning horizon. These positions have been added to address gaps and risks that the new  
17 management team has identified for the business. The three new positions are a Communications Officer  
18 ("CO"), Administrative Assistant ("AA"), and an Operations Coordinator ("OC"). An additional resource is  
19 included to address succession planning for the Operations Department as two senior managers are retiring  
20 over the 2021-2025 timeframe.

21 The CO position was added in 2019 to address increasing customer expectations, facilitate regulatory  
22 requirements, and to allow NBHDL to improve on its Core Value of *Providing Exceptional Value to*  
23 *Customers (CV1)*. A key element to achieving this goal is to have a dedicated resource to improve and  
24 formalize customer engagement, handle annual reporting requirements of the regulator, and most  
25 importantly, to coordinate education and interaction among all customer classes, increase social media  
26 presence and awareness, ensure website content is current, creative, and relevant, and to promote NBHDL  
27 and its programs to the community. The management of all social media platforms and overall public  
28 relations is an important responsibility of this role with the elevation of NBHDL's social media presence and  
29 brand recognition. Exhibit 1 outlines the initiatives that this resource will be undertaking with a major focus  
30 on reaching out to the industrial and commercial classes in 2021 to foster a more engaged relationship with  
31 these customers. NBHDL has identified that these customers lack a consistent connection with NBHDL and  
32 that there is an opportunity to provide businesses with more information about the electricity sector, ways  
33 to reduce or mitigate costs, what information or tools they are looking for, and how to directly add value for

1 their operations. NBHDL is not seeking to increase customer engagement solely because this forms part  
2 of the RRFE and direction from the OEB; NBHDL truly believes this has been, and will continue to be, an  
3 integral part of its operations and improvements and focus are required. Overall, this position is responsible  
4 for planning, developing, and implementing the Corporation's communication strategy that includes the  
5 implementation of internal and external communication initiatives and activities, to work with and provide  
6 advice to staff, and continue to develop and achieve organizational alignment.

7 The AA position will be added in 2021 and is the result of combining two resource needs into one position.  
8 The senior management and executive teams spend a significant amount of time on administrative tasks  
9 that distract not only from their areas of expertise, but from identifying inefficiencies and areas of  
10 improvement, providing short-term planning and oversight, encouraging and fostering employee growth  
11 and development, and, most importantly, long-term strategic planning and execution. These are the areas  
12 that drive the most benefit to the company and enable the business to move forward to continue to  
13 successfully meet provincial, regulatory, shareholder and customer needs and requirements. In addition,  
14 the Manager, Human Resources and Administration is the sole HR and administrative resource and is  
15 inundated with the demands of the HR department, and the needs of the President and CEO along with  
16 company wide administrative requirements which has resulted in a stalling of Human Resources (HR) work,  
17 such as new systems and the revision of HR policies and processes. There is an administrative resource  
18 gap within the business that can support two FTEs, however, in an effort to continue to contain costs,  
19 NBHDL has combined these requirements into one role. This role aligns with, and supports, the  
20 achievement of all of NBHDL's Core Values.

21 The OC position has been created to address gaps that exist in the management of the Operations  
22 department in the following areas: purchasing, planning, project management, risk management, and  
23 safety. The Operations Department is the largest department within the organization and it is led by only  
24 two management employees; an Operations Manager and an Operations Supervisor. The focus of these  
25 employees' center on the delivery of the annual \$6M-\$7M capital program and \$3-4M operating programs.  
26 While NBHDL's Operations Department successfully executes on NBHDL's DSP, the reality is that there  
27 are only two employees handling the tremendous volume of work and demands of constructing, and  
28 maintaining, an electrical grid that powers over 24,000 customers. The department needs additional support  
29 to help find efficiencies, improve productivity, create accountability and most importantly continue to make  
30 safety a daily priority at the management level. Based on the gaps and risks that have been identified within  
31 the Operations department, an argument could be made to hire up to four additional resources. This solution  
32 would align with the organizational structure of utilities of similar size to NBHDL that typically have a Safety  
33 Officer, a Purchasing Manager, and multiple levels of supervision within the Operations department.  
34 However, based on NBHDL's local environment and an effort to mitigate costs, NBHDL has created one

1 position to cover all areas. This position directly aligns with NBHDL's Core Values related to *Ensuring Safety*  
2 *of the Worker and Members of the Community (CV2)*, *Maintaining Distribution System Reliability and*  
3 *Quality Continuously Improving Efficiency (CV3)*, and *Productivity Performance to Provide Better Value-*  
4 *for-Money (CV4)*.

5 NBHDL's Operations management team of two has 61 years of utility experience between them. The  
6 amount of institutional knowledge cannot be understated and it is critical that NBHDL execute on a  
7 succession plan that ensures a successful transition. NBHDL has included an additional position that will  
8 cover the retirements of both positions through the 5-year horizon of this application. While time is provided  
9 to allow new employees to train, the continuity and transfer of knowledge does not entirely make up for the  
10 skills deficit NBHDL will experiences when staff retires, but it does leave NBHDL in a position to maintain  
11 safe and effective operations. This resource addition addresses CV2 and CV3 as referenced above.

#### 12 **2.4.1.1.3 Re-tasked Resourcing**

13 Two Customer Service Representative positions were eliminated due to seasonal driven work volume and  
14 NBHDL addressed other needs within the Operations department that had been identified with a Substation  
15 Electrician Learner and a Storekeepers Assistant. A Customer Accounts Specialist position was re-  
16 purposed to an Accountant due to reducing seasonal call volume and collections work as a result of the  
17 Disconnection Moratorium. Two retirements within the Lines department were not backfilled due to  
18 efficiencies in job planning and work organization, the team also matured and new staff became more  
19 proficient at completing work assignments. These retirements offset the additional IT resources discussed  
20 above.

21 Table 4-4 provides the total compensation levels included in Appendix 2-K and is based on the 2015 Board-  
22 Approved total compensation adjusted annually by the Price Cap IR adjustment formula that has been  
23 applicable to NBHDL from 2016 through to 2020. Had NBHDL executed on the resourcing plan included in  
24 the 2015 COS application, 2020 and 2021 compensation levels would be aligned with increases that are  
25 reflective of the annual IPI rate less a stretch factor of 0.3% attributable to Group 3. The proposed increases  
26 in 2020 and 2021 are reflective of the net new positions over the 2015 Board Approved level of 49 full-time  
27 employees and the actual amount of wage increases and progression over the 2015-2021 period.

28

29

30

**Table 4 - 4: Summary of Compensation from 2015 Board Approved Levels**

Compensation Levels	2016	2017	2018	2019	2020 Bridge Year	2021 Test Year
Compensation - 2015 Board Approved	5,360,185					
Compensation - Prior Year		5,456,669	5,543,975	5,593,871	5,660,997	5,757,234
OEB - IRM Increase	1.8%	1.6%	0.9%	1.2%	1.7%	2.0%
Total Compensation	5,456,669	5,543,975	5,593,871	5,660,997	5,757,234	5,872,379
Actual Compensation	5,183,096	5,395,051	5,382,911	5,240,609	5,883,743	6,463,889
Variance to 2015 Board Approved	(273,572)	(148,924)	(210,960)	(420,388)	126,508	591,510

Annual increases for all NBHDL staff (union, non-management, and management) are provided in the Table 4-5 below. Increases outside of this rate are tied to progression through roles in accordance with the Collective Bargaining Agreement for union employees and progression increases for non-union roles in alignment with the Hay System, a process described in the 'Workplace Planning and Employee Compensation' section. Progression increases for non-union and management staff are assessed on an individual basis and are not automatic.

The union staff increases are within industry norms and those received by non-unionized staff are based on performance. Most of the non-unionized staff have been in their role 5 years or less and have been rewarded for progress according to a defined system. Even with these increases NBHDL non-unionized staff has compensation levels closer to minimum thresholds according to the compensation management system which is managed by external expertise. The success of the business and operating a safe, efficient, and reliable distribution system is based on the quality, expertise, and dedication of staff. Staff must be fairly compensated for the work they perform recognizing the industry NBHDL works in.

Details on NBHDL's compensation can be found in the "Workforce Planning and Employee Compensation" section below.

**Table 4 - 5: Annual Wage Increase**

Year	Annual Increase
2015	2.5%
2016	2.5%
2017	2.5%
2018	1.75%
2019	1.75%
2020	2.0%
2021	2.0%



**2.4.1.2 CUSTOMER ENGAGEMENT**

Customer engagement continues to be a focus of NBHDL with additional costs included in the application to provide for on-going implementation and execution of engagement activities and related outcomes of those initiatives which enables NBHDL to meet customer needs, demands, and preferences. In the 2021 Test Year, costs include the creation of a secure mobile app to aid in better real-time self-serve options for billing, account management and consumption monitoring, continued updating and enhancements of NBHDL's website to ensure relevant and timely information, bill inserts, bi-annual survey regulatory survey requirements, on-going marketing, advertising, and formal engagement sessions with commercial and industrial customers including focus groups, one-on-one working sessions, and annual open forum meetings. Specific initiatives and costs are outlined for the Test Year, however, NBHDL will be maintaining these types of activities on an annual basis.

**2.4.1.3 CORPORATE POLICIES, INITIATIVES, AND STRATEGY**

NBHDL has forecasted \$150,000 in ongoing annual costs related to corporate initiatives, health and safety, and departmental process and procedure reviews required to effectively and efficiently run the day-to-day operations of the business. Although efforts have been made over the last five years to address outdated policies, procedures, and processes, and to implement new frameworks that foster improvement, drive efficiency, enhance safety, create accountability, and align NBHDL with emerging trends and best practices, these types of initiatives have not progressed due to the leanness of the resource complement and the lack of available dollars in the OM&A budget.

It is critical that NBHDL is able to move these initiatives forward and specific projects in the Test Year include a comprehensive update of NBHDL's Conditions of Service, the updating and formalization of Health and Safety policies and procedures, a review of the NBHDL's compensation plan, and costs required to address the long-term review of NBHDL's building and future options.

The amount of change occurring within the business and the sector means that ongoing operational business and strategic planning is required. NBHDL is continuously adapting its business and strategic direction to better reflect increased customer expectations. However, work with external resources with the necessary expertise is required in order to successfully execute initiatives and to pivot business practices, policies, and processes where needed. For example, NBHDL has not done a formal strategic plan since 2007/08. The company has been very successful despite the absence of this, but with a new management team in place, it is time to have a strategic focus that addresses the next 3, 5, 10, and 20 years. Another example is a project budgeted in 2015, that did not move forward due to constraints within the final OM&A spending envelope that was approved in settlement. The project was a third-party review of the Operations

1 and Engineering departments with an objective to (i) formalize and optimize business processes, (ii)  
2 develop metrics to measure and manage productivity and efficiency and (iii) facilitate the transfer of  
3 knowledge and skill to achieve maximum resource leverage. These are the types of initiatives that NBHDL  
4 can undertake over the 2021-2025 timeframe if the proposed OM&A budget is approved without cut.

5 Other issues coming at the sector including rapidly evolving technology, behind the meter generation,  
6 DERs, and customer expectations of real-time data. All of these areas will require specialized expertise and  
7 knowledge from outside the company and NBHDL believes it is prudent to anticipate these types of costs  
8 on an annual basis.

#### 9 **2.4.1.4 REGULATORY APPLICATIONS AND ASSESSMENTS**

10 Regulatory expenses continue to increase with the demand for reporting, ensuring compliance in a complex  
11 environment, and the completion of annual incentive rate mechanism filings and cost of service  
12 applications. Regulatory driven changes are constant and impact not only formal regulatory reporting, but  
13 require daily interaction between regulatory, billing, and IT departments and shift resource focus away from  
14 the day-to-day operations. NBHDL's regulatory department consists of a Regulatory Manager with no direct  
15 reports. The compensation of this resource is included within the Executive, Financial, Regulatory,  
16 Professional & Insurance program costs in the Program Delivery section below.

17 Included in regulatory costs are OEB assessments and the costs of specific applications only. The Board-  
18 Approved estimate for the 2015 cost of service application was \$656,930, amortized over five years at  
19 \$131,386 per year, however, the actual incremental cost of the application was \$920,898. These costs were  
20 amortized over the 5-year timeframe ending in the 2020 Bridge Year with \$63,510 recorded in regulatory  
21 costs. The proposed costs of the 2021 cost of service application are \$793,551 (\$127,348 less than the  
22 2015 actuals) amortized over five years at a cost of \$158,710 per year. NBHDL has focused on mitigating  
23 the costs of this application as compared to 2015 actuals while addressing filing requirements that ensures  
24 robust, complete and comprehensive evidence to support the proposed increases. NBHDL has minimized  
25 the use of regulatory consultants outside of the COS application process as evidenced by the reduction of  
26 \$15,780 in the Table 4-6 below.

27 OEB assessments have increased by \$38,637 over the 2015 Board-Approved amount as a result of  
28 incremental OEB fees that have been included in Account 1508 through the historical period. NBHDL has  
29 included full costs in the Test Year and the proposed disposition of the DVA for historical incremental costs  
30 in included in Exhibit 9. A summary of the variance is provided below. Details of these costs are provided  
31 in the Regulatory Section of this Exhibit and Table 4-29, Board Appendix 2-M.

**Table 4 - 6: Regulatory Costs**

<b>Regulatory Costs</b>	<b>2015 Board Approved</b>	<b>2020 Bridge Year</b>	<b>2021 Test Year</b>	<b>2021 vs. '2015 Board Approved</b>	<b>2021 vs. '2020 Bridge Year</b>
OEB Assessments	75,386	76,987	110,969	35,583	33,982
Regulatory Consultant Costs	15,780	-	-	(15,780)	-
COS Application Costs	131,386	63,510	159,710	28,324	96,200
<b>Total</b>	<b>222,552</b>	<b>140,496</b>	<b>270,679</b>	<b>48,127</b>	<b>130,182</b>

#### 2.4.1.5 IT SYSTEMS & MAINTENANCE

IT plays an integral role in NBHDL's ability to achieve Core Values. The most significant cost increase in this department is a result of labour as discussed above, however, NBHDL continues to incur external costs that are required to support the IT infrastructure. Table 4-7 below highlights the on-going costs required for IT systems and maintenance that are included in recoverable OM&A. It is important to note that the majority of cyber security related costs are allocated to internal labour which is not represented in Table 4-7 below. The table represents external costs only. Material and incremental changes are explained in "Section 2.4.2 OM&A Summary and Cost Drivers Tables".

**Table 4 - 7: IT Systems & Maintenance**

<b>IT Systems &amp; Maintenance Costs</b>	<b>2015 Board Approved</b>	<b>2020 Bridge Year</b>	<b>2021 Test Year</b>	<b>2021 vs. '2015 Board Approved</b>	<b>2021 vs. '2020 Bridge Year</b>
Central Square (NBHDL's Software Platform)	120,850	173,849	173,849	52,999	-
CNB IS Services	104,903	-	-	(104,903)	-
Cyber Security	6,047	62,149	40,442	34,395	(21,707)
Internet (including redundancy)	40,926	33,960	51,828	10,902	17,868
Software Licenses / Support / Maintenance	22,956	37,613	80,523	57,567	42,910
Network Mtn	-	-	3,054	3,054	3,054
Server Mtn	18,837	6,168	7,776	(11,061)	1,608
IT Items	1,300	10,908	10,625	9,325	(283)
<b>Total</b>	<b>315,819</b>	<b>324,647</b>	<b>368,097</b>	<b>52,278</b>	<b>43,450</b>

#### 2.4.1.6 VEGETATION MANAGEMENT

The Vegetation Management program is the largest OM&A cost that NBHDL incurs outside of labour. The importance of this program to safety and reliability cannot be understated. NBHDL is proposing to spend an additional \$260,033 over the board approved cost of service application of 2015. The purpose of this proposal is to enable NBHDL to achieve a five-year sustainable cycle for tree trimming to allow for a more

1 effective program that addresses safety and significantly contributes to maintaining reliability at the level  
2 NBHDL customers have come to expect.

3 NBHDL has not been able to maintain its Vegetation Management schedule based on 2015 Board-  
4 Approved levels. The original program is in year ten and it is anticipated that it will not be completed until  
5 2021, extending this to year eleven. Standard industry and ESA guidelines recommend that a vegetation  
6 management cycle should be four or five years and should not exceed six years. NBHDL is seeing the  
7 consequences of this prolonged cycle with the requirements to jump around the City of North Bay (off-cycle)  
8 to address lines with overgrown vegetation before they present a significant safety hazard to the public.  
9 This is operationally more costly than cycle work and erodes the budget envelopment for planned cycle  
10 work as this work cannot be avoided.

11 Vegetation management, similar to other maintenance programs, becomes more expensive the longer it is  
12 deferred. Vegetation grows every year and deferring an area means more work and higher costs in the  
13 future; the work can only be deferred for so long before it becomes a public safety hazard and a liability  
14 risk. Tree contact with overhead distribution circuits is a major cause of power interruptions. Currently,  
15 tree contacts are one of NBH's highest contributors to its SAIDI metric with an average of 0.53 (12,720  
16 customer hours of outages) contributed per year over the last 5 years. This is approximately 25% of the  
17 overall target score (set by the OEB); there is sufficient room for improvement with this outage cause and  
18 it has a substantial impact in the North Bay service Territory.

#### 19 **2.4.1.7 LOCATES**

20 In 2015, NBHDL had two internal resources (Customer Service Representatives) performing locates.  
21 Locate work is seasonal driven with a high volume of workload occurring between May and October.  
22 Historically, these staff handled disconnections through the off-season. However, in 2017 with the launch  
23 of the Disconnection Moratorium, this work was virtually eliminated from November through April. As a  
24 result of this change, the management team reviewed the costs of internal resources against outsourcing  
25 this activity and determined that there were other areas of the business that required resourcing. The use  
26 of a contractor in 2021 is an incremental cost to the business as compared to 2015 with a 3<sup>rd</sup> party contractor  
27 managing the locate volumes at a lower cost while enabling NBHDL to better utilize internal resources.

#### 28 **2.4.1.8 OPERATIONAL AND MAINTENANCE PROGRAMS**

29 NBHDL is beginning several initiatives in 2021 to enhance the annual maintenance programs. These  
30 programs will cover a 5-year period and include non destructive wood pole testing and non destructive high-  
31 voltage underground testing.

1 The goal of wood pole testing program is to diagnose the current health of wood poles in NBH's distribution  
2 system by collecting information not available through visual inspections such as internal pole decay (at  
3 and below the ground line) enabling staff to make an even more accurate determination on the remaining  
4 strength of the pole. The goal of underground testing program is to perform non destructive testing to  
5 diagnose the current health of underground XLPE high voltage cables. More specifically, this program will  
6 collect information on the development of "water trees", one of the main aging mechanisms of XLPE cable.  
7 "Water trees" are small tree-shaped structures of moisture and other ionic impurities that diffuse into the  
8 insulation of an XLPE cable and propagate under the effect of an electric field. These trees can grow and  
9 lead to a breakdown of the insulations, causing a cable fault.

10 Additional costs include annual asset management costs, and an Arc Flash study to determine the potential  
11 incident energy of an arc flash event at a given point or on a specific piece of equipment that will allow  
12 workers to properly assess risk and properly protect against it when work is required.

#### 13 **2.4.1.9 INFLATION RATE USED**

14 NBHDL used an inflation rate of 1.90% where the expense increase could not be specifically identified for  
15 non-wage related expenses.

#### 16 **2.4.1.10 BUSINESS ENVIRONMENT CHANGES**

17 The most significant change to business environment since the last COS was a major transition in late 2017  
18 through 2018, with the retirement of the President and Chief Operating Officer and the Manager of Finance.  
19 As evidenced in Exhibit 1, these changes caused a significant ripple effect throughout the company as  
20 internal promotions created the need to backfill numerous positions within the management team and  
21 among union positions. This changeover consumed the majority of 2018 and even a portion of 2019,  
22 however, the company has successfully transitioned and the team is well positioned to move NBHDL  
23 forward over the next five years.

24 Customer expectations, needs, and preferences continue to evolve on a near-constant basis. NBHDL has  
25 positioned itself to be more responsive to these demands with a dedicated Communications Officer and an  
26 IT department that is able to support new initiatives and undertakings that come out of interaction and  
27 engagement with the customer. NBHDL is prioritizing formal customer engagement and expects to have  
28 on-going outcomes from these initiatives that must be addressed; there will be no progress with customers  
29 if the company does not respond to their needs in a cost-effective manner, communicate, and educate.

Another area of focus for the business since the leadership change has been in IT. As highlighted in the overview section above, NBHDL has put considerable efforts and attention to in this area to ensure that that cyber security, asset renewal, privacy, communications, planning, value-add services, and customer-focus continues to be the priority for the department. Technology and innovation advancements are occurring at an exponential rate within the industry and, when combined with increasingly savvy customers looking for more data access and technology-based solutions, a strong IT department will be critical in the overall success of NBHDL achieving and delivering on its Core Values.

## **2.4.2 OM&A SUMMARY AND COST DRIVER TABLES**

### **2.4.2.1 OM&A BUDGETING PROCESS**

NBHDL begins to prepare its annual budget plan in the second and third quarters for the following year and receives final approval from its Board of Directors in December. Developing the budget is a key process as it identifies past successes as well as future initiatives and projections for capital and operating costs. Care is taken to ensure that the capital and operating budgets support NBHDL's Core Values as well as being prudent and financially sustainable.

NBHDL uses the following process on an annual basis:

1. The Management Team works collectively to look at higher level issues including changes in revenue, strategic initiatives either from within NBHDL or the industry, cost pressure from specific areas or performance concerns that must be considered by each Department. This step sets high level expectations for each department on cost control and efficiency improvement.
2. Each department Manager then develops capital and operating plans with these issues or objectives in mind. The following directives are provided to each manager and director to assist them with preparation:
  - External expenses for all department budgets are built using previous year actual, current year forecast and current year budget as the base. Each third-party expense is reviewed to determine whether the service is required and whether there are opportunities for cost minimization or service level improvement;
  - Significant variances in spending from prior years must be explained and documented;
  - Review of department headcount based on requirement for staff and need for change;

➤ Each department works with Finance to prepare a labour budget using projected wage and benefit costs. Overtime is based on projected need and historical comparisons with an expectation that it is closely managed to reduce costs where possible. Salaries, overtime and payroll burden are distributed over accounts based on historical and forecasted allocations;

➤ Vehicle costs are forecasted and an hourly rate is determined based on the estimated run time per truck per working day in the fiscal year. Costs are then distributed over operations and capital based on total labour hours budgeted.

3. Once NBHDL has finalized all budgeted costs, the Stores, Engineering and Operations Administration departments are reviewed and an overhead rate determined in order to ensure costs are properly allocated within OM&A, capital and other recoverable accounts. The Stores department costs, excluding Fleet, are allocated out based on material issues, items purchased and contracted services budgeted for the fiscal year for each respective department in OM&A and the capital program. Engineering department costs and Operations Administration costs are allocated out based on direct labour hours.

4. The Finance department completes an initial consolidation of all departments to develop an initial budget. Finance works with each department to identify variances and issues for consideration.

5. The Management Team will review the initial budget and make changes to balance cost control while achieving core objectives. At this stage, the Management Team considers the customer engagement work that has been undertaken and incorporates customer needs and preferences and makes adjustments to the budget as necessary. The team's focus is a top-down approach to the budget review. In an effort to contain costs and explore efficiencies and still provide an acceptable level of reliability and customer service, the team looks in detail for discretionary costs and identifies cost areas that can be delayed or find alternative approaches. This process results in OM&A costs with an adequate degree of assurance that NBHDL will be able to continue to serve its customers in a safe and reliable way.

6. The CEO will conduct a thorough review with each Department Manager supported by Finance to ensure the proposed budget is challenged and provides value.

7. The CEO meets with the Board informally to discuss issues of concern.

8. The Management Team makes a detailed submission to the Board on the proposed budget and formal approval is requested.

**2.4.2.2 SUMMARY OF RECOVERABLE OM&A EXPENSES**

NBHDL follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations and maintenance. A summary of NBHDL's OM&A expenses, excluding property taxes and LEAP for the 2015 Board Approved, 2015 Actual, 2016 Actual, 2017 Actual, 2018 Actual, 2019 Actual, 2020 Bridge Year and the 2021 Test Year, is provided in Table 4-8, Board Appendix 2-JA. NBHDL is proposing to recover these costs through distribution rates for the 2021 Test Year. Included in Table 4-9, Board Appendix 2-L is a summary of the OM&A Cost per Customer and per Full-Time Equivalent (FTE). The number of customers is based on a twelve-month average for Residential, General Service <50kW, General Service >50 to 2,999kW and General Service >3,000 to 4,999kW rate classes. The FTE number does not include NBHDL's Board of Directors, temporary employees or students, and reconciles to Appendix 2-K. NBHDL notes that the Community Relations category is an account that is not used by NBHDL and that all customer engagement related activities discussed above are incorporated into the Administration and General category.



1

**Table 4 - 8: Summary of Recoverable OM&A Expenses (Appendix 2-JA)**

	Last Rebasing Year (2015 Board- Approved)	Last Rebasing Year (2015 Actuals)	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$ 1,016,405	\$ 629,042	\$ 775,642	\$ 737,777	\$ 645,453	\$ 925,842	\$ 830,091	\$ 1,028,903
Maintenance	\$ 1,486,331	\$ 1,739,889	\$ 1,724,297	\$ 1,632,098	\$ 1,652,475	\$ 1,829,166	\$ 2,151,753	\$ 2,613,186
<b>SubTotal</b>	<b>\$ 2,502,736</b>	<b>\$ 2,368,931</b>	<b>\$ 2,499,939</b>	<b>\$ 2,369,875</b>	<b>\$ 2,297,928</b>	<b>\$ 2,755,008</b>	<b>\$ 2,981,844</b>	<b>\$ 3,642,089</b>
%Change (year over year)		-5.3%	5.5%	-5.2%	-3.0%	19.9%	29.8%	22.1%
%Change (Test Year vs Last Rebasing Year - Actual)								53.7%
Billing and Collecting	\$ 1,233,810	\$ 1,109,424	\$ 1,186,321	\$ 1,204,043	\$ 1,258,639	\$ 1,142,030	\$ 1,413,651	\$ 1,328,174
Community Relations	\$ 2,200	\$ 44,252	\$ 334	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 2,690,983	\$ 2,690,602	\$ 2,720,350	\$ 2,857,176	\$ 2,683,244	\$ 2,791,843	\$ 3,057,332	\$ 3,595,675
<b>SubTotal</b>	<b>\$ 3,926,993</b>	<b>\$ 3,844,278</b>	<b>\$ 3,907,005</b>	<b>\$ 4,061,219</b>	<b>\$ 3,941,884</b>	<b>\$ 3,933,873</b>	<b>\$ 4,470,983</b>	<b>\$ 4,923,849</b>
%Change (year over year)		-2.1%	1.6%	3.9%	-2.9%	-0.2%	13.7%	10.1%
%Change (Test Year vs Last Rebasing Year - Actual)								28.1%
<b>Total</b>	<b>\$ 6,429,729</b>	<b>\$ 6,213,210</b>	<b>\$ 6,406,945</b>	<b>\$ 6,431,094</b>	<b>\$ 6,239,812</b>	<b>\$ 6,688,882</b>	<b>\$ 7,452,827</b>	<b>\$ 8,565,938</b>
%Change (year over year)		-3.4%	3.1%	0.4%	-3.0%	7.2%	11.4%	14.9%
	Last Rebasing Year (2015 Board- Approved)	Last Rebasing Year (2015 Actuals)	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Operations	\$ 1,016,405	\$ 629,042	\$ 775,642	\$ 737,777	\$ 645,453	\$ 925,842	\$ 830,091	\$ 1,028,903
Maintenance	\$ 1,486,331	\$ 1,739,889	\$ 1,724,297	\$ 1,632,098	\$ 1,652,475	\$ 1,829,166	\$ 2,151,753	\$ 2,613,186
Billing and Collecting	\$ 1,233,810	\$ 1,109,424	\$ 1,186,321	\$ 1,204,043	\$ 1,258,639	\$ 1,142,030	\$ 1,413,651	\$ 1,328,174
Community Relations	\$ 2,200	\$ 44,252	\$ 334	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 2,690,983	\$ 2,690,602	\$ 2,720,350	\$ 2,857,176	\$ 2,683,244	\$ 2,791,843	\$ 3,057,332	\$ 3,595,675
<b>Total</b>	<b>\$ 6,429,729</b>	<b>\$ 6,213,210</b>	<b>\$ 6,406,945</b>	<b>\$ 6,431,094</b>	<b>\$ 6,239,812</b>	<b>\$ 6,688,882</b>	<b>\$ 7,452,827</b>	<b>\$ 8,565,938</b>
%Change (year over year)		-3.4%	3.1%	0.4%	-3.0%	7.2%	19.4%	14.9%

2

	Last Rebasing Year (2015 Board- Approved)	Last Rebasing Year (2015 Actuals)	Variance 2015 Board Approved – 2015 Actuals	2016 Actuals	Variance 2016 Actuals vs. 2015 Actuals	2017 Actuals	Variance 2017 Actuals vs. 2016 Actuals	2018 Actuals	Variance 2018 Actuals vs. 2017 Actuals	2019 Actuals	Variance 2019 Actuals vs. 2018 Actuals	2020 Bridge Year	Variance 2020 Bridge vs. 2019 Actuals	2021 Test Year	Variance 2021 Test vs. 2020 Bridge
Operations	\$1,016,405	\$629,042	\$387,363	\$775,642	\$146,600	\$737,777	(\$37,865)	\$645,453	(\$92,325)	\$925,842	\$280,390	\$830,091	(\$95,751)	\$1,028,903	\$198,812
Maintenance	\$1,486,331	\$1,739,889	(\$253,558)	\$1,724,297	(\$15,592)	\$1,632,098	(\$92,200)	\$1,652,475	\$20,377	\$1,829,166	\$176,691	\$2,151,753	\$322,587	\$2,613,186	\$461,433
Billing and Collecting	\$1,233,810	\$1,109,424	\$124,386	\$1,186,321	\$76,898	\$1,204,043	\$17,722	\$1,258,639	\$54,596	\$1,142,030	(\$116,609)	\$1,413,651	\$271,621	\$1,328,174	(\$85,477)
Community Relations	\$2,200	\$44,252	(\$42,052)	\$334	(\$43,919)	\$0	(\$334)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative and General	\$2,690,983	\$2,690,602	\$381	\$2,720,350	\$29,748	\$2,857,176	\$136,825	\$2,683,244	(\$173,931)	\$2,791,843	\$108,598	\$3,057,332	\$265,489	\$3,595,675	\$538,343
Total OM&A Expenses	\$6,429,729	\$6,213,210	\$216,519	\$6,406,945	\$193,735	\$6,431,094	\$24,149	\$6,239,812	(\$191,283)	\$6,688,882	\$449,070	\$7,452,827	\$763,945	\$8,565,938	\$1,113,111
Adjustments for Total non-recoverable items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0
Total Recoverable OM&A Expenses	\$6,429,729	\$6,213,210	\$216,519	\$6,406,945	\$193,735	\$6,431,094	\$24,149	\$6,239,812	(\$191,283)	\$6,688,882	\$449,070	\$7,452,827	\$763,945	\$8,565,938	\$1,113,111
Variance from previous year				\$ 193,735		\$ 24,149		(\$191,283)		\$449,070		\$763,945		\$ 1,113,111	
Percent change (year over year)				3%		0%		-3%		7%		11%		15%	
Percent Change: Test year vs. Most Current Actual														28.06%	
Simple average of %variance for all years														5.7%	
Compound Annual Growth Rate for all years															5.5%
Compound Growth Rate (2019 Actuals vs. 2015 Actuals)														2.49%	

**Table 4 - 9: Recoverable OM&A Cost per Customer and per Full Time Equivalent (FTE)**

**(Appendix 2-L)**

	Last Rebasing Year - 2015- Board Approved	Last Rebasing Year - 2015- Actual	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
<b>OM&amp;A Costs</b>								
O&M	\$2,502,736	\$2,368,931	\$2,499,939	\$2,369,875	\$2,297,928	\$2,755,008	\$2,981,844	\$3,642,089
Admin Expenses	\$3,926,993	\$3,844,278	\$3,907,005	\$4,061,219	\$3,941,884	\$3,933,873	\$4,470,983	\$4,923,849
Total Recoverable OM&A from Appendix 2-JB	\$6,429,729	\$6,213,210	\$6,406,945	\$6,431,094	\$6,239,812	\$6,688,882	\$7,452,827	\$8,565,938
Number of Customers	24,040	24,023	24,086	24,107	24,142	24,197	24,234	24,271
Number of FTEs	49	46	46	46	45	45	49	53
Customers/FTEs	489	524	529	521	542	540	494	458
OM&A cost per customer								
O&M per customer	\$104	\$99	\$104	\$98	\$95	\$114	\$123	\$150
Admin per customer	\$163	\$160	\$162	\$168	\$163	\$163	\$184	\$203
Total OM&A per customer	\$267	\$259	\$266	\$267	\$258	\$276	\$308	\$353
OM&A cost per FTE								
O&M per FTE	\$50,889	\$51,644	\$54,932	\$51,174	\$51,616	\$61,537	\$60,742	\$68,719
Admin per FTE	\$79,849	\$83,808	\$85,849	\$87,696	\$88,542	\$87,869	\$91,077	\$92,903
Total OM&A per FTE	\$130,739	\$135,453	\$140,781	\$138,871	\$140,157	\$149,405	\$151,820	\$161,621

#### 2.4.2.3 COST DRIVER TABLES

The following is a description of the primary drivers that have influenced the increase in NBHDL's OM&A expenditures since 2015, the date of the last cost of service application, up to and including the 2021 Test Year. Each driver is summarized by its net change year over year. NBHDL has provided comments on those variances in excess of NBHDL's materiality threshold of \$75,000.

Table 4-10, Board Appendix 2-JB provides a list of the cost drivers that affected OM&A year over year spending based on a materiality threshold or where the cost driver is common or recurring expenditures that has impacted multiple years. The OM&A opening balance for the last Rebasing Year of \$6,429,729 is equal to the 2015 Board Approved amount. The areas of this table highlighted were used to create the summary Table 4-3.

**Table 4 - 10: Cost Driver Table (Board Appendix 2-JB)**

OM&A	Last Rebasng Year Board- Approved	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year	Total
<b>Reporting Basis</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
<b>Opening Balance</b>	\$ 6,429,729	\$ 6,213,210	\$ 6,406,945	\$ 6,431,094	\$ 6,239,812	\$ 6,688,882	\$ 7,452,827	\$ 6,429,729
<b>Compensation</b>								
Employee Compensation	\$83,561	\$122,593	\$6,804	\$12,601	\$101,206	\$529,321	\$403,004	\$1,259,091
<b>Sub Totals</b>	<b>\$83,561</b>	<b>\$122,593</b>	<b>\$6,804</b>	<b>\$12,601</b>	<b>\$101,206</b>	<b>\$529,321</b>	<b>\$403,004</b>	<b>\$1,259,091</b>
<b>Customer Focus</b>								
Customer Engagement	(\$28,410)	\$17,683	\$6,382	\$10,324	\$40,865	(\$42,054)	\$98,030	\$102,820
Bad Debts	(\$59,230)	(\$58,999)	\$90,634	\$4,501	(\$46,853)	\$78,868	\$0	\$8,921
Bill & Collection Notice Delivery	\$19,223	\$11,086	(\$13,218)	(\$1,795)	\$11,094	(\$12,788)	\$12,146	\$25,749
Locates	(\$1,241)	(\$1,163)	(\$38)	\$1,466	\$7,764	\$77,966	\$55,495	\$140,248
<b>Sub Totals</b>	<b>(\$69,659)</b>	<b>(\$31,393)</b>	<b>\$83,760</b>	<b>\$14,497</b>	<b>\$12,869</b>	<b>\$101,993</b>	<b>\$165,672</b>	<b>\$277,738</b>
<b>Executive Financial Regulatory Professional &amp; Insurance</b>								
Corporate Policies, Initiatives, Strategy	\$0	\$0	(\$0)	\$0	(\$0)	\$110,000	\$40,000	\$150,000
Regulatory Applications & OEB Assessment	(\$59,297)	\$112,083	(\$5,311)	(\$1,018)	\$1,251	(\$129,763)	\$130,182	\$48,127
Banking, Audit, Legal	(\$18,306)	\$46,997	(\$26,130)	(\$20,984)	(\$103)	\$4,475	\$1,936	(\$12,115)
Insurance	(\$15,946)	\$13,408	(\$5,263)	(\$19,122)	\$837	\$6,046	\$2,380	(\$17,659)
<b>Sub Totals</b>	<b>(\$93,548)</b>	<b>\$172,488</b>	<b>(\$36,704)</b>	<b>(\$41,124)</b>	<b>\$1,985</b>	<b>(\$9,241)</b>	<b>\$174,498</b>	<b>\$168,354</b>
<b>Information &amp; Technology</b>								
IT Systems & Mtce	(\$16,398)	\$34,507	\$49,078	(\$38,192)	(\$46,435)	\$26,268	\$43,450	\$52,278
<b>Sub Totals</b>	<b>(\$16,398)</b>	<b>\$34,507</b>	<b>\$49,078</b>	<b>(\$38,192)</b>	<b>(\$46,435)</b>	<b>\$26,268</b>	<b>\$43,450</b>	<b>\$52,278</b>
<b>Smart Meters and Meter Reading</b>								
Sync Operator	\$2,102	(\$6,462)	(\$38,419)	(\$1,943)	(\$3,718)	\$2,612	\$223	(\$45,606)
Meter Reading, ODS, Security Audits	\$16,098	\$34,658	(\$17,586)	\$19,866	\$5,426	\$3,703	(\$2,092)	\$60,073
<b>Sub Totals</b>	<b>\$18,200</b>	<b>\$28,196</b>	<b>(\$56,005)</b>	<b>\$17,923</b>	<b>\$1,707</b>	<b>\$6,315</b>	<b>(\$1,869)</b>	<b>\$14,468</b>
<b>Human Resources</b>								
Succession & Recruitment Costs	\$25,788	(\$25,061)	\$80,820	(\$58,257)	(\$26,167)	\$37,526	(\$650)	\$34,000
Employee Future Benefits	(\$9,138)	(\$400)	(\$40,074)	\$1,000	\$6,799	\$47,476	\$28,489	\$34,151
HR Consultants, Services, Legal	(\$9,459)	(\$39,953)	\$56,316	(\$27,970)	\$79,484	(\$31,534)	(\$24,741)	\$2,143
<b>Sub Totals</b>	<b>\$7,191</b>	<b>(\$65,413)</b>	<b>\$97,061</b>	<b>(\$85,227)</b>	<b>\$60,117</b>	<b>\$53,467</b>	<b>\$3,098</b>	<b>\$70,294</b>
<b>Operations</b>								
Substation Preventative Mtce Contractors	(\$21,034)	\$7,906	(\$15,668)	(\$349)	\$9,106	\$6,415	\$670	(\$12,953)
Operational Review & Maintenance Programs	(\$500)	\$9,500	(\$14,200)	(\$1,800)	\$0	(\$0)	\$205,525	\$198,525
Vegetation Management	(\$72,526)	\$82,098	(\$12,285)	\$15,959	\$67,801	\$72,633	\$106,353	\$260,033
Fleet Deprecation	(\$109,505)	(\$71,142)	\$52,677	(\$4,103)	\$22,653	(\$45,408)	\$25,344	(\$129,483)
<b>Sub Totals</b>	<b>(\$203,566)</b>	<b>\$28,363</b>	<b>\$10,525</b>	<b>\$9,707</b>	<b>\$99,560</b>	<b>\$33,641</b>	<b>\$337,892</b>	<b>\$316,122</b>
<b>Miscellaneous</b>								
Miscellaneous	\$57,699	(\$95,606)	(\$130,369)	(\$81,467)	\$218,060	\$22,181	(\$12,634)	(\$22,136)
<b>Sub Totals</b>	<b>\$57,699</b>	<b>(\$95,606)</b>	<b>(\$130,369)</b>	<b>(\$81,467)</b>	<b>\$218,060</b>	<b>\$22,181</b>	<b>(\$12,634)</b>	<b>(\$22,136)</b>
<b>Closing Balance</b>	<b>\$ 6,213,210</b>	<b>\$ 6,406,945</b>	<b>\$ 6,431,094</b>	<b>\$ 6,239,812</b>	<b>\$ 6,688,882</b>	<b>\$ 7,452,827</b>	<b>\$ 8,565,938</b>	<b>\$ 8,565,938</b>

#### 2.4.2.4 EMPLOYEE COMPENSATION

The changes in year over year employee compensation in OM&A is a result of increases in employee compensation including wages and benefits, headcount fluctuations, resourcing required to deliver OM&A programs and changes in the allocation of labour hours between OM&A and capital programs as a result of differing annual demands. As discussed in detail in above and in the "Workforce Planning and Employee Compensation" sections, the major increase in O&M is in the 2020 Bridge Year and the 2021 Test Year. These increases reflect the filling of vacancies from prior historical periods, the addition of 3 new positions, and planned succession for the Operations department. Both the Bridge and Test Year compensation

budgets are developed by department and the Operations and Engineering departments develop their capital and O&M labour mix based on the following assumptions:

- NBHDL has established that to adequately service its system, approximately 43% of total line crew hours must be allocated to operations and the balance to capital which reflects of the level of effort required to support aging infrastructure in a harsh climate, the time required to provide reactive and planned maintenance, and the time required to manage the service truck on an annual basis responding to customer requests. The 2015 COS budget allocated 34% of time to O&M with the balance allocated to capital and recoverable work; this ratio does not reflect the allocation of time spent in O&M. The impact of this budget assumption results in approximately \$125,000 in OM&A on a comparative basis. Changes in any given year are reflective of the work performed in O&M and capital.
- The Engineering department allocates labour to capital and O&M based on an individual employee level using historical and planned allocation of time. The time allocated directly to capital is based on what is required to execute the DSP. The 2015 COS budget allocated 33% of time related to management in this department to O&M with the balance allocated to capital and recoverable work; this ratio does not reflect the allocation of time spent in O&M which is estimated to be 53% in 2021. The impact of the budget assumption results in approximately \$90,000 in OM&A on a comparative basis.
- The Operations Manager and Supervisor time is allocated to capital and O&M following a similar individual employee basis using both historical and planned allocation of time and is aligned with what is required to execute the DSP.

With the exception of the Operations Coordinator, the increase in staffing levels of the IT and Administrative departments are costs that are incurred directly in OM&A. NBHDL would note however, that some of these costs are charged out to affiliates as explained in the Section 2.4.3.3. Shared Services and Corporate Cost Allocation including 25% of the costs of the Communications Officer charged out to NBHDL's affiliate in the 2021 Test Year. The increase in the addition of one FTE in IT is offset by reduced third-party costs as the position was brought in-house resulting in a net neutral impact.

#### **2.4.2.5 CUSTOMER ENGAGEMENT**

Unlike large urban centres, it is impossible for NBHDL to work in relative anonymity. NBHDL accepts its profile in the community and works hard on various initiatives to interact daily with customers on issues of importance and relevance to them. Daily interactions are supplemented with several other engagement approaches including on-bill messaging, bill inserts, website activity, and the use of customer web-based

1 portals to engage with customers. NBHDL is very active in events throughout the community as explained  
2 in Exhibit 1 and has excellent customer satisfaction and trust rankings.

3 NBHDL's attention to customer engagement throughout the years has been from a day-to-day operations  
4 perspective and, over the historical period, NBHDL has maintained relatively low costs with respect to  
5 customer engagement activities. Beginning in 2016, NBHDL began utilizing an affiliate resource to manage  
6 and coordinate all customer engagement activities. The Management team determined in 2019 that this  
7 resource was required on a full-time basis, and brought more value in a dedicated role with the ability to  
8 charge back to the affiliate as needed. Throughout 2020 and 2021, a more formalized customer  
9 engagement plan has been developed including a budget developed to address annual on-going activities  
10 and to provide the ability for the Communications Officer to address outcomes of meaningful engagements  
11 to ensure NBHDL is able to respond to evolving needs and preferences.

#### 12 **2.4.2.6 BAD DEBT**

13 Bad debt fluctuates in any given year and the team at NBHDL works very hard to minimize bad debt  
14 expenses.

15 Prior to 2016, NBHDL kept all accounts open and on its balance sheet while recording a provision for  
16 accounts as they went into arrears at 90 days. In 2016, NBHDL wrote off all accounts older than one year  
17 from its balance sheet completely. Combined with current year activity, the resulting bad debt expense  
18 dropped to \$72,850. The 2017-2018 period saw relatively stable costs with 2019 coming lower than the  
19 average two-year period. For the purposes of the Bridge and Test Years, NBHDL has forecasted bad debt  
20 expense at \$200,000. Given the current COVID-19 climate, NBHDL submits that this is an appropriate cost  
21 as it remains to be seen what the full impacts of the pandemic will bring. NBHDL has not seen any significant  
22 or concerning increases in overall arrears and continues to monitor the situation closely.

23 NBHDL's collection process involves working accounts in arrears on an on-going basis. In 2020, NBHDL  
24 stepped this activity up considerably and made a focused effort to work with customers to set-up customized  
25 payment plans that were affordable and enabled customers to address growing balances while dealing with  
26 the financial realities of COVID-19 circumstances. While staff has had a very positive outcome with this  
27 approach, it is difficult to forecast whether these customers will continue to maintain these agreements.  
28 NBHDL also sees a subset of customers simply cease paying their bills altogether during the moratorium  
29 months with large balances catching up to customers in May of every year and, with several post-secondary  
30 schools in the service territory, NBHDL has a segment of its customers that are transient and leave town  
31 without paying their accounts off in final. All accounts that are closed are sent to a third-party collection  
32 agency after three separate attempts are made by internal staff to collect.

**2.4.2.7 LOCATES**

In Ontario, it is required by law that property owners and contractors call before they dig. From 2015 to 2018, NBHDL had two internal resources (Customer Service Representatives) performing locates as described above. As a result of internal movement, the Operations department was reduced by a resource for this task, with powerline maintainers back-filling the role to cover absences and assist with heavy volume workloads. In 2020, NBHDL began contracting 50% of this activity out with the intention of outsourcing 100% of the work in the 2021 Test Year at a forecasted cost of \$172,430, the two positions have been re-directed to a Substation Learner Electrician and a Storekeeper Assistant.

**2.4.2.8 CORPORATE POLICIES, INITIATIVES, AND STRATEGY**

NBHDL is seeking to develop and promote a culture of continuous improvement and accountability, to begin to formalize its strategic plans for the future, as well as to address outdated policies, procedures, and processes. NBHDL will seek outside expertise for these types of initiatives to ensure that best practices (both within and outside the industry) are routinely reviewed and implemented. NBHDL's executive and management team requires the flexibility to tap into specialized knowledge and experts in various fields on an as-need basis to ensure that the company is operating at effective and efficient levels and taking full advantage of lessons learned from others.

NBHDL has not invested in this type of activity since the last COS. With a new management team in place and on the other side of significant transition, it is time to turn the focus of the leadership team to this overarching goal with each department expected to review and reshape over the coming years as we look to the future; a future that is expected to look very different with focus shifting to enabling innovative technology, storage, DER, customer choice and a desire for real-time information.

Specific projects in the Test Year include a comprehensive update of NBHDL's Conditions of Service, the updating and formalization of Health and Safety policies, procedures, and costs required to address the long-term review of NBHDL's building and future options. NBHDL has forecasted \$150,000 in ongoing costs and will work within this budget envelope on an annual basis as initiatives are brought forward and assessed.

**2.4.2.9 REGULATORY APPLICATIONS AND REPORTING**

The changes highlighted in Table 4-10 are a result of the timing of the amortization of 2015 COS costs. NBHDL deferred the 2020 rate application causing a reduction in costs for that year. NBHDL's proposed costs for this application are included in Table 4-40 (Board Appendix 2-M) and are \$793,551, \$127,347 less

1 than the actual costs incurred in 2015. NBHDL customers benefited from a proposed cost recovery that  
2 was ultimately \$263,968 lower than the costs of the last COS application. NBHDL has put significant effort  
3 and attention towards reducing application costs and is minimizing the use of consultants and legal advisors  
4 to the greatest extent possible to limit the burden of costs on the ratepayer.

#### 5 **2.4.2.10 IT SYSTEMS AND MAINTENANCE**

6 As explained above in Sections 2.4.1.1.1 and 2.4.1.5, IT plays an integral role in NBHDL's ability to achieve  
7 Core Values. With the development of a strong IT department since the last COS, NBHDL has managed  
8 to maintain costs. However, there are still material external costs required to support IT infrastructure.

9 NBHDL has a legacy Customer Information System in place that has existed for many years and continues  
10 to work with its service provider Central Square (previously known as SunGard) to ensure the current  
11 system meets constantly changing requirements. Since the last rate application, NBHDL has made  
12 modifications in order to create efficiencies and these modifications, along with annual rate increases, have  
13 amounted to increases of \$52,999 over the last five years. NBHDL also moved from manual timesheets to  
14 an integrated third-party time and attendance module that allows employees to input timesheets online,  
15 enabling a more efficient process for all staff and significant efficiencies for the Junior Accountant. Costs in  
16 2021 are expected to stay flat. NBHDL has continued to work with Central Square to address evolving  
17 needs in an effort to avoid the significant costs of a new system, but the platform is set to be retired in 2029.  
18 NBHDL will be undertaking an extensive analysis of options over the next 5-year horizon in order to  
19 determine the most cost-effective solution.

20 As explained above in Section 2.4.1.1.1, NBHDL historically outsourced Information System Services from  
21 the City of North Bay. In 2019, this individual retired from the City of North Bay and NBHDL moved this  
22 role in-house resulting in a reduction in contracted services of \$104,903 which is offset in increased labour  
23 costs and an additional FTE. The decision to bring these services in-house was net-neutral from a cost  
24 perspective, but provided many benefits as discussed above in the "Overview" section.

25 With increased emphasis on cyber security in recent years, NBHDL is proposing to spend an incremental  
26 \$34,395 on cyber security on areas such as firewalls, antivirus protection, network security. Included in  
27 these costs is an initiative for both a business and metering network audit which will include an external 3<sup>rd</sup>  
28 party review of the security and set up of the metering and business network infrastructures, including  
29 testing security vulnerabilities and making recommendations to resolve any potential risks. Failing to  
30 prepare for contingency planning increases the risk to NBHDL.



1 In recent years, NBHDL has moved towards virtual servers which requires additional software and licensing  
2 costs to help manage. NBHDL currently owns 26 virtual servers. The benefits to having virtual servers is  
3 that many can run simultaneously on a small footprint of servers, sharing memory, disk and CPU. This  
4 reduces costs on the physical maintenance of servers, power and cooling, and server management on  
5 VMWare's centralized management software. It also allows for hardware redundancy in case of failure of  
6 any of the physical servers, allowing limited issues for availability. NBHDL also has plans to implement a  
7 second VMWare host that will allow NBHDL to mirror critical systems to an off-site location, as part of the  
8 disaster recovery and business continuity plans. Costs can be significant in the case of a fire or any other  
9 unforeseen catastrophic event, and therefore it is important that measures are put into place to mitigate  
10 those risks.

11 NBHDL is also expecting to increase costs related to its Geographic Information System (GIS) system,  
12 moving away from an individual licensing structure and into an enterprise agreement at an incremental cost  
13 of \$35,063 annually. The goal of the GIS licensing upgrade is to be the main repository for the  
14 organization's asset information. In meeting the increasing demands of the regulatory environment in which  
15 utilities exist, it is important to ensure that the tools utilized keep pace with the demands of the industry, as  
16 well as staying current with the essential technologies required to manage the assets of the company. It is  
17 essential that NBHDL expand user access to GIS as well as enhance the tools used to support data  
18 collection and delivery. With a dispersed work force and the need to collect, analyze and deliver large  
19 amount of data quickly, the need to push further into the online environment has increased.

20 The Information Technology Strategy can be found in Exhibit 2.

#### 21 **2.4.2.11 OPERATIONAL & MAINTENANCE PROGRAMS**

22 As discussed above, NBHDL is beginning several initiatives in 2021 to enhance the annual maintenance  
23 programs. These programs will cover a 5-year period and include non-destructive wood pole testing and  
24 non-destructive high-voltage underground testing.

25 The goal of wood testing program is to diagnose the current health of wood poles in NBHDL's distribution  
26 system by collecting information not available through visual inspections such as internal pole decay (at  
27 and below the ground line) to enable staff to make a determination on the remaining strength of the pole.  
28 NBHDL owns approximately over 10,390 poles with approximately 7,900 poles carrying a distribution or  
29 sub transmission circuit. From a purely technical perspective, it is recommended that all poles be tested  
30 over a 5-year period to establish a baseline score. NBHDL determined that there is less value in testing  
31 new poles, so only poles aged 10 years or more will be included in this program at a cost of \$33,900 per  
32 year.

1 The goal of underground testing program is to perform non-destructive testing to diagnose the current  
2 health of underground XLPE high voltage cables, the type of cable used in the majority of NBH's high  
3 voltage underground system. NBHDL has identified approximately 600 single phase cables in its system  
4 that can be tested under this program and all cables will be tested on a 5-year cycle so degradation of  
5 cables can be tracked. Similar to the approach utilized with the pole testing, NBHDL avoid testing of new  
6 low risk cable 10 years and younger, and will aim to test 555 cables over the next 5 years at a cost of  
7 \$41,625 per year.

8 In the 2021 Test Year an ARC flash study will also be completed at a cost of \$110,000. The study will  
9 determine the potential incident energy of an arc flash event at a given point or on a specific piece of  
10 equipment in order to improve worker protections. This information will allow NBHDL to properly categorize  
11 the risk, provide hazard information, and select appropriate PPE to protect its workers from potential injury.  
12 A secondary benefit of the study is that the information can be used to ensure that any equipment installed  
13 is property rated and can withstand the available maximum fault current levels without being damaged.

14 NBHDL intends to continuously enhance its maintenance program on an annual basis, beyond the minimum  
15 requirements of the DSC in an effort to improve upon DSP information inputs for planning and execution of  
16 capital projects.

#### 17 **2.4.2.12 VEGETATION MANAGEMENT**

18 The Vegetation Management program is the largest OM&A cost that NBHDL incurs outside of labour. The  
19 importance of this program to safety and reliability cannot be understated. NBHDL is proposing to spend  
20 \$773,437 in the 2021 Test Year, which is an additional \$260,033 over the board approved levels in the  
21 2015 COS. Included in this proposal are dedicated internal resources of \$103,864 as Engineering staff  
22 rotate the management of the program, which includes almost daily interaction with customers. Obtaining  
23 approval and sign off from each customer/property owner can be difficult, time consuming and requires  
24 significant resources to support, but it helps to clear misconceptions and to relieve customer anxiety about  
25 impacts. The purpose of this proposal is to enable NBHDL to achieve a five-year sustainable cycle for tree  
26 trimming to allow for a more efficient program that addresses work and public safety and significantly  
27 contributes to maintaining reliability at the level NBHDL customers have come to expect.

28 As explained above in Section 2.4.1.6, NBHDL has not been able to maintain its Vegetation Management  
29 schedule based on 2015 Board-Approved levels. The original four-year program is in year ten and it is  
30 anticipated that it will not be completed until 2021, extending this to year eleven. Tree contact with overhead  
31 distribution circuits is a major cause of power interruptions. Currently, tree contacts are one of NBH's  
32 highest contributors to its SAIDI metric with an average of 0.53 (12,720 customer hours of outages)

1 contributed per year over the last 5 years. This is approximate 25% of the overall target score (set by the  
2 OEB); there is sufficient room for improvement with this outage cause and it has a substantial impact in the  
3 North Bay service territory.

4 Through the years, NBHDL has struggled to complete its vegetation management program because of  
5 contractor availability, contractor pricing volatility, and poor contractor performance in execution of work  
6 and safety because of inexperienced resourcing (very high turnover in vegetation management contracting  
7 because of the fluctuations in work availability). In addition, awarded contract work tends to not be  
8 completed in the given year due to contractor crew constraints (i.e.; not properly resourced to complete the  
9 work). With this problem at the forefront, NBHDL worked with two other utilities to work together to find a  
10 solution. That solution was the formation of 17 Trees, a vegetation management contracting company that  
11 provides tree trimming services to the three LDCs on a year-round basis with the primary objective of  
12 delivering stable annual pricing and ensuring the appropriate resources are allocated to complete contract  
13 work as planned each year. With consistent work a dedicated resource pool is maintained providing an  
14 environment for proper training and a very skilled workforce which translates into worker and public safety  
15 being the top priority. Utility tree work is extremely dangerous and there are significant intangible benefits  
16 in knowing that resources are properly trained and as dedicated as the utility to safety. With this valuable  
17 partnership, NBHDL has full confidence in its ability to complete planned trimming work on an annual basis  
18 that will result in the optimum 5-year cycle that the company has aimed for over the last 10 years as 17  
19 Trees is used in parallel with local contractors to complete the full budget each year. NBHDL believes that  
20 this is an example of shared efficiency that will provide benefits to ratepayers across all participating LDCs,  
21 both in terms of cost and reliability.

#### 22 **2.4.2.13 FLEET DEPRECIATION**

23 Changes in fleet depreciation year over year reflect the annual capital costs of NBHDL's fleet and the  
24 amounts charged out to capital in each year depending on work efforts.

#### 25 **2.4.2.14 MISCELLANEOUS**

26 Other miscellaneous expenses reflect non material changes from one year to the next for items such as  
27 training costs, office supplies, facility cost and other miscellaneous administrative expenses.

#### 28 **2.4.2.15 CHANGES IN OM&A EXPENSE - CAPITALIZATION POLICY**

29 NBHDL's auditors have reviewed and accepted NBHDL capitalization methods and there are no changes  
30 to the methodology since the 2015 COS. A detailed description of NBHDL's overhead and capitalization

policies can be found in Exhibit 2 along with Board Appendix 2-D. Changes on a year over year basis are a result of changes in the allocation of labour hours between OM&A and capital programs due to differing annual demands.

#### 2.4.3 OM&A PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

NBHDL has a variety of programs activities and initiatives that are critical in enabling NBHDL to continue to provide reliable and affordable service to customers. In Table 4-11, Board Appendix 2-JC, NBHDL has identified its programs and major functions from the 2015 Board Approved OM&A, 2015 – 2019 historical period, the 2020 Bridge Year, and the 2021 Test Year. These programs contribute to the achievement of NBHDL's Core Values that align with the RRFE performance outcomes of Customer Focus, Operational Effectiveness, and Public & Policy Responsiveness. This shows the alignment of NBHDL's direct costs and the management of the costs associated with the outcomes.

Table 4-12 provides a comparative of the 2021 Test year versus 2019 Actual and 2015 Board Approved OM&A costs.

**Table 4 - 11– OM&A Programs Table (Board Appendix 2-JC)**

Programs (Core Values "CV")	Last Rebas Year (2015 Board- Approved)	Last Rebas Year (2015 Actuals)	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Customer Services, Billing & Collecting (1,4,5)	\$874,281	\$852,944	\$951,084	\$913,856	\$856,418	\$809,381	\$932,859	\$931,903
Bad Debts (4)	\$191,079	\$131,849	\$72,850	\$163,484	\$167,985	\$121,132	\$200,000	\$200,000
Locates (1,2)	\$249,857	\$281,031	\$342,115	\$271,936	\$189,340	\$293,933	\$183,361	\$172,430
Customer Engagement (1,4,5)	\$62,000	\$33,590	\$51,273	\$57,655	\$67,979	\$108,844	\$66,790	\$164,820
Executive, Financial, Regulatory, Professional, Insurance (all)	\$1,197,087	\$1,260,162	\$1,228,678	\$1,220,284	\$1,132,601	\$1,139,758	\$1,325,767	\$1,382,287
Regulatory Reporting & Assessments (5)	\$222,552	\$163,255	\$275,338	\$270,027	\$269,009	\$270,260	\$140,496	\$270,679
Information & Technology (1,4,5,6)	\$453,162	\$411,146	\$455,611	\$605,282	\$579,942	\$600,795	\$669,547	\$712,558
Smart Meters, Meter Reading (4,5)	\$377,808	\$376,075	\$374,498	\$302,500	\$316,606	\$314,485	\$328,463	\$342,707
Human Resources (all)	\$376,108	\$401,609	\$335,128	\$439,642	\$355,030	\$425,209	\$491,812	\$568,201
Corporate Policies, Initiatives, and Strategy (all)	\$0	\$0	\$0	\$0	\$0	\$0	\$110,000	\$150,000
Training, Health & Safety (2,4)	\$215,387	\$238,322	\$266,588	\$166,018	\$251,168	\$218,912	\$288,647	\$294,009
Overhead Operations & Maintenance (2,3,4)	\$711,686	\$705,682	\$755,322	\$731,007	\$740,328	\$866,065	\$853,864	\$1,141,750
Underground Operations & Maintenance (2,3,4)	\$276,014	\$448,112	\$328,702	\$317,505	\$309,295	\$331,735	\$383,846	\$462,900
Substation Maintenance, Load Dispatching, SCADA (2,3,4)	\$510,537	\$398,805	\$413,185	\$396,446	\$418,110	\$516,528	\$706,996	\$840,861
Vegetation Management (2,3,4)	\$456,194	\$438,897	\$541,345	\$516,229	\$515,994	\$550,373	\$685,609	\$773,437
Metering - Operations & Maintenance (2,3,4)	\$330,670	\$252,727	\$301,221	\$306,947	\$240,739	\$292,249	\$322,179	\$362,170
Miscellaneous, Fleet Dep'n (4)	(\$74,692)	(\$180,997)	(\$285,992)	(\$247,722)	(\$170,733)	(\$170,777)	(\$237,408)	(\$204,775)
<b>Total</b>	<b>6,429,729</b>	<b>6,213,210</b>	<b>6,406,945</b>	<b>6,431,094</b>	<b>6,239,812</b>	<b>6,688,882</b>	<b>7,452,827</b>	<b>8,565,938</b>

**Table 4 - 12: OM&A Cost Variances – 2021 Test Year Comparisons**

Programs (Core Values "CV")	Last Rebasement Year (2015 Board-Approved)	2019 Actuals	2021 Test Year	Variance (Test Year vs. 2019 Actuals)	Variance (Test Year vs. Last Rebasement Year (2015 Board-Approved))
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Customer Services, Billing & Collecting (1,4,5)	\$874,281	\$809,381	\$931,903	\$122,522	\$57,623
Bad Debts (4)	\$191,079	\$121,132	\$200,000	\$78,868	\$8,921
Locates (1,2)	\$249,857	\$293,933	\$172,430	(\$121,504)	(\$77,427)
Customer Engagement (1,4,5)	\$62,000	\$108,844	\$164,820	\$55,976	\$102,820
Executive, Financial, Regulatory, Professional, Insurance (all)	\$1,197,087	\$1,139,758	\$1,382,287	\$242,529	\$185,200
Regulatory Reporting & Assessments (5)	\$222,552	\$270,260	\$270,679	\$419	\$48,127
Information & Technology (1,4,5,6)	\$453,162	\$600,795	\$712,558	\$111,764	\$259,396
Smart Meters, Meter Reading (4,5)	\$377,808	\$314,485	\$342,707	\$28,222	(\$35,101)
Human Resources (all)	\$376,108	\$425,209	\$568,201	\$142,992	\$192,093
Corporate Policies, Initiatives, and Strategy (all)	\$0	\$0	\$150,000	\$150,000	\$150,000
Training, Health & Safety (2,4)	\$215,387	\$218,912	\$294,009	\$75,097	\$78,622
Overhead Operations & Maintenance (2,3,4)	\$711,686	\$866,065	\$1,141,750	\$275,685	\$430,065
Underground Operations & Maintenance (2,3,4)	\$276,014	\$331,735	\$462,900	\$131,166	\$186,886
Substation Maintenance, Load Dispatching, SCADA (2,3,4)	\$510,537	\$516,528	\$840,861	\$324,333	\$330,324
Vegetation Management (2,3,4)	\$456,194	\$550,373	\$773,437	\$223,065	\$317,243
Metering - Operations & Maintenance (2,3,4)	\$330,670	\$292,249	\$362,170	\$69,920	\$31,499
Miscellaneous, Fleet Dep'n (4)	(\$74,692)	(\$170,777)	(\$204,775)	(\$33,998)	(\$130,083)
<b>Total</b>	<b>6,429,729</b>	<b>6,688,882</b>	<b>8,565,938</b>	<b>1,877,056</b>	<b>2,136,208</b>

#### 2.4.3.1 VARIANCE ANALYSIS – PROGRAMS

The following provides an overview of the variances highlighted in Table 4-12 above. Full descriptions of the new positions added to the business in the 2021 Test Year, and an explanation of existing positions that have been redirected to different areas of the business can be found in the "Workforce Planning and Employee Compensation" section below and the "Overview" section above.

##### 2.4.3.1.1 2021 Test Year vs. 2019 Actuals

##### *Customer Service, Billing & Collecting*

The variance of \$122,522 between 2021 Test Year and 2019 is primarily driven by annual wage increases, the reinstatement of the Senior Billing Control Clerk position, and additional support from the IT department. NBHDL successfully filled the Senior Billing Clerk position with an internal candidate in late 2020 and the variance in the Test Year includes a full year of compensation. NBHDL manages the billing of over 24,000 accounts on a monthly basis with two staff dedicated to this function, an extremely lean complement. The IT Specialist (Meter to Cash), hired in 2020, will also dedicate 40% of their time to providing on-going support to this team with a focus on ensuring quality testing and compliance with respect to regulated rate changes, enhancing automation efforts, identifying opportunities for process improvements, performing data analysis, and coordinating efforts between department (Billing/IT/Regulatory). Also included in the

2021 Test Year are the costs of second IT Specialist that handles all the bill print, sync operator, and daily support of the CIS system. Historically these duties were performed by a 3<sup>rd</sup> party contractor and included in the IT department. Due to declining call volumes and a significant reduction in collections work during the disconnection moratorium, NBHDL is now maintaining a level of four permanent full-time positions, with temporary employees utilized to handle higher volume months and provide coverage, an overall long-term lower cost solution for the company. This organizational structure has enabled NBHDL to maintain a reasonable cost increase over the 2015 Board Approved Test Year and redirect a union position to the Accounting department. These changes were in the control of NBHDL, and are reasonable and prudent based on the needs of the department. NBHDL was able to re-task positions and utilize increased IT support.

#### ***Bad Debt***

NBHDL has forecasted \$200,000 in bad debt costs in the 2021 Test Year resulting in a variance of \$78,868. Applying standardized collection rules and processes and making collections a focus for all Customer Accounts staff has resulted in NBHDL mitigating bad debt expenses, however, with the impact of COVID-19 still unknown, NBHDL is prudently forecasting an increase in the Bridge and Test Years to account for economic uncertainties. NBHDL makes collections a priority and works within the rules created by the OEB. Collection of bad debt is subject to external pressures, including the impact of changes in the local economy. Changes in bad debt are not in the control of NBHDL, however, business practices are in place to manage accounts in arrears and mitigate the exposure on an on-going basis.

#### ***Locates***

The variance of (\$121,504) is a result of outsourcing locates to a 3<sup>rd</sup> party contractor. As explained above in Section 2.4.1.7, based on the seasonal nature of this work NBHDL had determined that contracting this work out is a more optimal solution, with the two positions that were included in the 2015 Test Year redirected to other areas of the Operations department. This change is in the control of NBHDL and was made after review of internal workload and contractor costing for locate services. It was determined that contracting out locates and re-tasking internal employees was the optimum solution.

#### ***Executive, Financial, Professional, Insurance***

The variance of \$242,529 is primarily reflective of a full fiscal year of compensation for the Communications Officer, a new Accountant, and wage and progression increases for existing staff in the Administration and Finance departments. These changes were in the control of NBHDL. The new positions were necessary to meet the needs of the business and to address increasing customer engagement requirements and expectations.

1       ***Information & Technology***

2       The variance of \$111,764 is driven by the addition of the IT Specialist (M2C) costs remaining in the IT  
3       department, and a change in the subscription platform of the GIS, moving away from individual licensing  
4       and into an enterprise agreement with ESRI to allow access to an improved set of tools as well as providing  
5       increased user access to the data and tools that GIS provides. These changes are in the control of NBHDL;  
6       the requirement to strengthen this department is addressed above.

7  
8       ***Human Resources***

9       The variance of \$142,992 reflective of a new Administrative Assistant and increases in rates for health and  
10      dental costs expected from MEARIE in 2021. The addition of an Administrative Assistant is in the control  
11      of NBHDL and is required as explained above in Section 2.4.1.1.2. Rates for health and dental costs are  
12      not in the control of NBHDL.

13  
14      ***Corporate Policies, Initiatives, and Strategy***

15      The variance of \$150,000 is a result of increased focus towards various business policy initiatives as  
16      explained above. These costs are in the control of NBHDL.

17  
18      ***Training/Health & Safety***

19      The variance of \$75,097 between the 2021 Test Year and the 2019 Actuals is driven by increased  
20      compensation due to annual wage increases and progression, the allocation of time towards training, and  
21      increased costs related to newer staff in the Metering and Substations department and the required training  
22      as they progress through their Learner positions. Worker safety is a core value of NBHDL. Many of NBHDL's  
23      employees work in a hazardous environment and training, health and safety are a key barrier to prevent  
24      harm. Investment in training, health and safety is one of the key contributors to NBHDL's safety record and  
25      training for Operations staff is necessary to ensure tasks are performed safely in accordance with all  
26      applicable legislation. These costs are in the control of NBHDL.

27  
28      ***Overhead Operations***

29      The variance of \$275,685 is reflective of increased labour and overhead costs which is attributable to the  
30      allocation of time between capital and maintenance activities, wage and progression for existing staff, and  
31      the allocation of costs related to the new Operations Coordinator and succession in the Operations Manager  
32      and Operations Supervisor roles. The costs of the Operations Administration department are allocated over  
33      all program costs. Additional costs related to the enhancement of operational and maintenance programs,  
34      as referenced above under "Operational & Maintenance Programs" cost drivers, also contribute to the  
35      increase with pole-testing, asset management updates, and a portion of the ARC flash study allocated to

1 this program. For the enhanced pole testing, NBHDL could have chosen to test all poles, however, a focus  
2 on those older than 10 years resulted in the cost avoidance of \$56,500 over a 5-year period. These costs  
3 are in the control of NBHDL. Resourcing requirements are explained above in Section 2.4.1.1.2 and the  
4 enhanced operational and maintenance programs are required to meet asset management expectations  
5 and the safe and reliable operation of the electrical system.

#### 6 7 ***Underground Operations***

8 Similar to overhead operations, the variance of \$131,166 is reflective of increased labour and overhead  
9 costs which is attributable to the allocation of time between capital and maintenance activities, wage and  
10 progression for existing staff, and the allocation of costs related to the new Operations Coordinator and  
11 succession in the Operations Manager and Operations Supervisor roles. Additional costs related to the  
12 enhancement of operational and maintenance programs, as referenced above under "Operational &  
13 Maintenance Programs" cost drivers, also contribute to the increase with the cable testing allocated to this  
14 program. Similar to the pole testing, NBHDL could have chosen to test all cables, however, a focus on  
15 those older than 10 years resulted in the cost avoidance of \$16,785 over a 5-year period. These costs are  
16 in the control of NBHDL. Resourcing requirements are explained above in Section 2.4.1.1.2 and the  
17 enhanced maintenance programs are required to meet asset management expectations and the safe and  
18 reliable operation of the electrical system.

#### 19 20 ***Substation Maintenance, Load Dispatching, SCADA***

21 The variance of \$324,333 is reflective of increased labour and overhead costs which is attributable to the  
22 addition of a Substation Electrician Learner, the allocation of time between capital and maintenance  
23 activities, wage and progression for existing staff, and the allocation of costs related to the new Operations  
24 Coordinator and succession in the Operations Manager and Operations Supervisor roles. NBHDL has also  
25 ensured all substations are metered and costs allocated appropriately, historically this was captured in  
26 overall system losses. A portion of the ARC flash study included in the enhanced operational programs is  
27 included in Substation department. These costs are in the control of NBHDL. Resourcing requirements are  
28 explained above in Section 2.4.1.1.2 and the enhanced operational programs are required to meet asset  
29 management expectations and the safe and reliable operation of the electrical system.

#### 30 31 ***Vegetation Management***

32 Variances of \$223,065 are a result of NBHDL's continued focus of establishing rights of way for all overhead  
33 lines. The costs for 2021 enable NBHDL to bring the tree trimming cycle to a 5-year cycle by 2026 as  
34 explained above in Section 2.4.1.6. This is a priority program for NBHDL to ensure system reliability,  
35 customer and employee safety, and to minimize damage and expensive repairs as a result of extreme



1 weather events. NBHDL has engaged customers on this program and is responsive to their needs and  
2 preferences while putting the appropriate priority on safety and reliability. NBHDL is also an active  
3 community partner in keeping the City's canopy green in an effort to minimize visual impacts caused by the  
4 program. NBHDL has found through experience that the best way to complete this program is for NBHDL  
5 staff to manage customer interactions and establish the scope of major work activities to be completed in  
6 each cycle area by the external contractor. These costs are in the control of NBHDL. NBHDL is now in year  
7 10 of what was initially intended to be a 4-year cycle in 2015. An increase in the costs for this program is  
8 required in order for NBHDL to improve reliability and ensure safety.  
9

#### 10 **2.4.3.1.2 2021 Test Year vs. 2015 Board-Approved**

##### 11 ***Locates***

12 The variance of (\$77,427) is a result of outsourcing locates to a 3<sup>rd</sup> party contractor. Two positions were  
13 included in the 2015 Test Year, but have been redirected to other areas of the Operations department. This  
14 change is in the control of NBHDL and was made after review of current internal workload and contractor  
15 costing for locate services. It was determined that contracting out locates and re-tasking internal employees  
16 was the optimum solution.  
17

##### 18 ***Customer Engagement***

19 NBHDL has increased external customer engagements costs \$102,820 over the 2015 Board-Approved  
20 level as a result of more emphasis on this aspect of the business, and an increased in planned engagement  
21 and communication to address increasing customer demands and expectations. Customer engagement  
22 activities are detailed in Exhibit 1 and are explained in the "Overview" and "OM&A Summary and Cost  
23 Driver Tables" above. Costs included in the Test Year also incorporate quarterly customer surveys, bill  
24 inserts, marketing and advertising, sustainability reports and other community events to promote NBHDL  
25 in the community. These changes are in the control of NBHDL and are required to meet increasing customer  
26 communication and engagement requirements and expectations.  
27

##### 28 ***Executive, Financial, Professional, Insurance***

29 The variance of \$185,200 incorporates the new Communications Officer, Accountant, and wage and  
30 progression increases for existing staff since the 2015 rate application. It is important to note that over the  
31 2017-2019 period, NBHDL utilized resources from its affiliate to address customer engagement  
32 requirements of the business. These costs included the 15% administration fee that is incorporated into  
33 the majority of affiliate transactions. When the requirement of a full-time role was assessed, it became  
34 apparent that NBHDL could satisfy its customer engagement requirements and outsource the employee to

1 its affiliate to offset the overall cost and incorporate an incremental revenue offset. This decision is a cost-  
2 effective solution that directly benefits ratepayers. NBHDL is in control of these costs. Considering the  
3 numerous challenges and constantly evolving requirements from the Province and the regulator, NBHDL  
4 believes this incremental cost over a 6-year period is reasonable and prudent from an overall administrative  
5 perspective.

### 6 7 ***Information & Technology***

8 The variance of \$259,396 in 2021 Test Year costs over the 2015 Board Approved levels is driven by the  
9 increases in staffing in the overall development of department over the last three years, offset by the  
10 reduction of 3<sup>rd</sup> party contracting for the duties that are now done in-house. External cost increases related  
11 to cyber security, increased licensing fees, and rising costs for NBHDL's software platform also contribute  
12 to this variance. These changes are in the control of NBHDL and are required to meet increased cyber  
13 security requirements and address the needs of the business. Licensing fees and the costs of NBHDL's  
14 software platform are not in the control of NBHDL.

### 15 16 ***Human Resources***

17 The variance of \$192,093 is reflective of a new Administrative Assistant, increased recruitment and  
18 succession planning costs, and increases in rates for health and dental costs expected from MEARIE in  
19 2021. Resourcing costs are in the control of NBHDL and is explained above in Section 2.4.1.1.2. Rates for  
20 the health and dental costs are not in the control of NBHDL.

### 21 22 ***Corporate Policies, Initiatives, and Strategy***

23 The variance of \$150,000 is a result of the increased focus of new leadership towards various business  
24 policy initiatives as explained above. These costs are in the control of NBHDL and are geared towards  
25 improving efficiency, effectiveness, and accountability.

### 26 27 ***Training/Health & Safety***

28 The variance of \$78,622 is driven by increased compensation due to annual wage increases and  
29 progression, the allocation of time towards training, and increased costs related to newer staff in the  
30 Metering and Substations department and the required training as they progress through their Learner  
31 positions. These costs are in the control of NBHDL and are required for employee development and safety.

### 32 33 ***Overhead Operations***

34 The variance of \$430,065 is reflective of increased labour and overhead costs which are attributable to the  
35 allocation of time between capital and maintenance activities, wage and progression for existing staff, and

1 the allocation of costs related to the new Operations Coordinator and succession in the Operations Manager  
2 and Operations Supervisor roles. Incremental costs related to pole testing, asset management activities,  
3 and the ARC flash study are other material contributors to this variance. These costs are in the control of  
4 NBHDL.

5  
6 ***Underground Operations***

7 Similar to overhead operations, the variance of \$186,886 is reflective of increased labour and overhead  
8 costs which are attributable to the allocation of time between capital and maintenance activities, wage and  
9 progression for existing staff, and the allocation of costs related to the new Operations Coordinator and  
10 succession in the Operations Manager and Operations Supervisor roles. Incremental costs related to  
11 underground cable testing further contributor to this variance. These costs are in the control of NBHDL  
12

13 ***Substation Maintenance, Load Dispatching, SCADA***

14 The variance of \$330,324 is reflective of increased labour and overhead costs which re attributable to the  
15 addition of a Substation Electrician Learner, the allocation of time between capital and maintenance  
16 activities, wage and progression for existing staff, and the allocation of costs related to the new Operations  
17 Coordinator and succession in the Operations Manager and Operations Supervisor roles. Incremental costs  
18 related to the ARC flash study further contributor to this variance. These costs are in the control of NBHDL  
19

20 ***Vegetation Maintenance***

21 Variances of \$317,243 are reflective of the costs necessary to move tree trimming to a 5-year cycle to  
22 ensure safety and maintain and or improve reliability. In 2021 NBHDL will be in the eleventh year of what  
23 was originally intended to be a 4-year cycle. 2015 spending levels have not been sufficient to address the  
24 vegetation in NBHDL's service territory as proven over the 2015-2020 timeframe. These costs are in the  
25 control of NBHDL  
26

27 ***Miscellaneous***

28 Changes in the amount of fleet costs allocated out of OM&A are the main driver of the (\$130,083) variance  
29 and are reflective of actual time spent in maintenance and capital activities.

**2.4.3.2 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION**

**2.4.3.2.1 Compensation Philosophy**

**(a) Overview**

NBHDL's workforce is comprised of both unionized and non-unionized management employees. Overall compensation for all employees is designed to be competitive and equitable to attract and retain qualified personnel in an industry that is very competitive for skilled resources. NBHDL recognizes that it must offer salaries that are competitive in the local market and LDC environment but also be reflective of the budgetary and business constraints of operating in a regulated environment. The compensation package includes a base wage and benefits package. In 2019, 73% of NBHDL's workforce was unionized.

**(b) Unionized Employees**

The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trade workers. They are represented by the Canadian Union of Public Employees local No. 72.

NBHDL's collective agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. NBHDL's current collective agreement commenced on April 1, 2018 and will expire on March 31, 2023. NBHDL maintains a collaborative approach and a mutual gains philosophy to labour relations that has fostered a valuable working relationship with the Union as evidenced by the most recent negotiations resulting in a 5-year contract that enables a longer-term, stable labour rate. Labour wages are the result of the negotiation process with a focus on other recent settlements in neighbouring LDC areas and LDC's of similar size. Overall, the average of the wages increases is at 1.9% per year over the five-year term.

Each union job classification at NBHDL has a basic job description and wage rate progression scale that increases from a base rate to a maximum rate. The Stevenson Kellogg Ernst and Whitney system is utilized by NBHDL to evaluate job classifications and develop a wage rate progression scale. This system uses a multi-factor approach to rate jobs relative to each other. The factors include complexity, education, experience, initiative, accountability, contacts, character of supervision, scope of supervision, physical/mental demands, and working conditions. A joint management/union team uses a defined process to determine overall job rating.

**(c) Non-Union / Management Employees**

The Hay system is utilized for job evaluation and management compensation. The Hay system is an industry standard job evaluation system used to develop and maintain pay structures by comparing similarities and differences in the content and value of jobs. The system establishes pay differentials between jobs, establishes fair and equitable compensation programs, identifies and eliminates wage inequities, and establishes a sound foundation for consistent pay administration. The Hay evaluation process includes job analysis, job descriptions, job evaluation and job structure or ordering of jobs based on their relative value or content. Job evaluation factors include know-how, problem solving, accountability and working conditions. Within each factor are several sub-factors with a defined number of points available. The points are assessed and totaled for each job and the Hay system divides the total range of points into an appropriate number of grades. An external consultant assigns pay rates to each of the grades based on their experience and compensation from similar sized businesses in the LDC sector. Each grade level includes a minimum, midpoint, and maximum pay level.

Progression within the grade is assessed annually, but is not automatic. Progression is based on performance, merit, individual growth, and contribution to goals/objectives. When progression is awarded, the changes go into effect in April. Outside of progression, the structure is inflated annually at the same rate of the cost-of-living increases included in the union CBA, which is always tested against an affordability. Currently the majority of staff are below the mid-point of their respective salary ranges. NBHDL's compensation plan is reviewed regularly and analyzed by an external consultant for its competitiveness against two market comparators:

- Broader Public Sector (BPS) Ontario – Excluding GTA
  - Includes public sector and non-profit organizations
- LDC Sector
  - This includes all LDC's. Comparisons are based on LDC's of similar size and geographic area

The Executive team bonus structure is based on budgeted metrics of financial and safety performance with a formulated payout. The bonus structure for the Senior Management team is based on a pool not to exceed 5% of the total salary of the group and individual scoring is based on 50% corporate achievement and 50% personal objective achievement. Senior management bonuses are at the discretion of the President and CEO. Total amounts paid in 2020 totaled \$60,218, below the materiality threshold. Further information on this can be found in Exhibit 1.

Increases for management staff are approved individually by the President and CEO, and are approved in aggregate by the Board of Directors. Increases for the President and CEO are reviewed and approved annually by the Board of Directors.

**(d) Benefits**

The negotiated benefit package is designed to address the health and welfare of NBHDL's employees and is consistent across the organization. The components of the benefit package include medical insurance, company sponsored retirement plan, post-retirement benefits, employer's portion of government taxes, leave policies, and health and safety protection as detailed in the Table 4-25 below. Management staff is also eligible for spending account up to \$1,000 per year for benefits not covered by the base program.

Copies of NBHDL's benefit packages are included in Appendix 4-A.

**(e) Staffing and Compensation**

NBHDL's employee complement, compensation and benefits are set out in Table 4-13, Board Appendix 2-K below. Table 4-13, Board Appendix 2-K does not include NBHDL's Board of Directors, temporary employees, or students.

The number of employees is based on the computation of the number of full-time equivalent (FTE) positions throughout each of the fiscal years. Employees that were hired during the year or employees that left the organization were pro-rated based on start or end date month.

The salaries and wages amount include all salaries and wages paid, inclusive of incentive pay for management, overtime, vacations, floater holidays, sick leave, bereavement leave, union meetings and other miscellaneous paid leave.

The benefits amount comprises the employer's portion of statutory benefits (CPP, EI and EHT), employer contributions to OMERS and WSIB and NBHDL's costs for providing extended health care, dental, long-term disability, short-term disability, life insurance and health and safety protection for its employees. NBHDL used an inflation rate of 1.9% where the expense increase could not be specifically identified for non-wage related expenses. These inflationary increases are built into the individual line items and are immaterial.

**Table 4 - 13: FTE and Employee Costs (Appendix 2-K)**

	Last Rebas Year - 2015- Board Approved	Last Rebas Year - 2015- Actual	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>								
Management (including executive)	10.0	9.0	9.6	10.2	9.9	10.0	11.0	13.0
Non-Management (union and non-union)	39.2	36.9	36.0	36.1	34.6	34.8	38.1	40.0
Total	49.2	45.9	45.5	46.3	44.5	44.8	49.1	53.0
<b>Total Salary and Wages including overtime and incentive pay</b>								
Management (including executive)	\$ 1,099,796	\$ 979,953	\$ 1,164,976	\$ 1,311,168	\$ 1,409,417	\$ 1,255,530	\$ 1,390,483	\$ 1,678,677
Non-Management (union and non-union)	\$ 3,224,921	\$ 2,956,975	\$ 3,007,910	\$ 3,041,437	\$ 2,930,546	\$ 2,968,695	\$ 3,335,071	\$ 3,482,832
Total	\$ 4,324,717	\$ 3,936,928	\$ 4,172,886	\$ 4,352,605	\$ 4,339,963	\$ 4,224,225	\$ 4,725,554	\$ 5,161,508
<b>Total Benefits (Current + Accrued)</b>								
Management (including executive)	\$ 262,792	\$ 224,320	\$ 267,451	\$ 296,192	\$ 318,365	\$ 289,892	\$ 326,695	\$ 410,522
Non-Management (union and non-union)	\$ 772,676	\$ 726,635	\$ 742,759	\$ 746,253	\$ 724,583	\$ 726,492	\$ 831,494	\$ 891,859
Total	\$ 1,035,468	\$ 950,955	\$ 1,010,210	\$ 1,042,446	\$ 1,042,948	\$ 1,016,384	\$ 1,158,188	\$ 1,302,381
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>								
Management (including executive)	\$ 1,362,589	\$ 1,204,273	\$ 1,432,427	\$ 1,607,361	\$ 1,727,782	\$ 1,545,422	\$ 1,717,178	\$ 2,089,199
Non-Management (union and non-union)	\$ 3,997,597	\$ 3,683,610	\$ 3,750,669	\$ 3,787,691	\$ 3,655,129	\$ 3,695,187	\$ 4,166,565	\$ 4,374,690
Total	\$ 5,360,185	\$ 4,887,883	\$ 5,183,096	\$ 5,395,051	\$ 5,382,911	\$ 5,240,609	\$ 5,883,743	\$ 6,463,889

As discussed in the Overview section, NBHDL has maintained a resourcing level that was lower than the 2015 Board-Approved level throughout the majority of the years following the last rate application. This staffing level is not sufficient for NBHDL to be able to deliver on expected outcomes and deliverables that are driven by core values that align with the RRFE. The following section provides details on the proposed staffing level changes.

#### (f) Employee Staffing Levels

Table 4-14 summarizes the number of full-time employees by department at year end since 2015. The table highlights the changes between the Test Year and the 2015 Board Approved complement, 2015 actuals, and 2019 actuals. The number of employees in Table 4-14 and Tables 4-17 to 4-22 will not equal the number of employees in Table 4-13, Board Appendix 2-K since that table calculates partial FTE's based on the start date of the position not the year end number. The number of new positions since 2015 and drivers are provided in Table 4-15.

**Table 4 - 14- Full-Time Employees by Department**

Department	2015 Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year	2021 vs 2015 Board Approved	2019 Actual vs 2021 Test Year
<b>Operations</b>										
Operations Administration	3	3	3	3	3	3	3	5	2	2
Lines	14	14	14	12	12	12	12	12	(2)	-
Customer Services	2	2	2	2	2	1	-	-	(2)	(1)
Stores	1	1	1	1	1	1	1	2	1	1
Substations	2	2	2	2	2	2	2	3	1	1
Metering	2	2	2	2	2	2	2	2	-	-
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>22</b>	<b>22</b>	<b>21</b>	<b>22</b>	<b>24</b>	<b>-</b>	<b>3</b>
<b>Engineering</b>										
Engineering	9	7	9	8	8	9	9	9	-	-
<b>Total</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>Finance</b>										
Accounting/Finance	5	5	5	5	5	5	6	6	1	1
Billing	2	2	2	2	1	1	2	2	-	1
CAS	5	5	5	4	4	4	4	4	(1)	-
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>2</b>
<b>Administration</b>										
Administration	1	1	1	2	1	2	2	2	1	-
Human Resources	1	1	1	1	1	1	1	2	1	1
CDM	1	-	-	-	-	-	-	-	(1)	-
IT	1	1	1	1	2	3	4	4	3	1
<b>Total</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>4</b>	<b>2</b>
<b>Total</b>	<b>49</b>	<b>46</b>	<b>48</b>	<b>45</b>	<b>44</b>	<b>46</b>	<b>50</b>	<b>53</b>	<b>4</b>	<b>7</b>
<b>Increase over prior year</b>			<b>2</b>	<b>(3)</b>	<b>(1)</b>	<b>2</b>	<b>4</b>	<b>3</b>		
<b>Increase 2021 over 2015 Board Approved</b>								<b>4</b>		



1

**Table 4 - 15: New Positions Since 2015 Actual**

<b>Driver</b>	<b>Number of Employees</b>
<b>Growth in Administrative Functions</b> Administrative Assistant	1
<b>Growth in Customer Engagement requirements</b> Communications Officer	1
<b>Growth in Health and Safety Compliance, Purchasing, Planning, Project Management, and Risk Management</b> Operations Coordinator	1
<b>Operations Department Succession Planning</b> Operations Manager / Operations Supervisor	1
<b>Growth in IT - Cyber Security, Network, Digital Transformation, and Billing</b> IT Analyst	1
IT Specialist - created position in-house and eliminated external contractor	1
IT Specialist (meter to cash)	1
<b>Growth in Financial and Regulatory Reporting and Analysis</b> Customer Accounts Specialist	(1)
Accountant	1
<b>Operations Efficiencies</b> Powerline Maintainers	(2)
Customer Services Representative	(2)
Substation Electrician Learner	1
Storekeeper Assistant	1
<b>Elimination of Position</b> CDM Position	(1)
<b>Total</b>	<b>4</b>

2

3 NBHDL's 2015 COS included a total complement of 49 full time employees. The actual complement in 2015  
 4 was 46 and NBHDL has floated between 45 and 48 employees, with an actual complement of 46 full time  
 5 employees in 2019. As explained in Exhibit 1, NBHDL runs lean and the management team has identified  
 6 gaps with resourcing and with positions that are under-utilized or purely obsolete. The 2021 Test Year  
 7 includes a complement of 53 full-time employees representing an increase of 4 positions from the levels  
 8 included in the 2015 COS, an increase of 7 positions over 2019 actuals, and an increase of 7 employees  
 9 from 2015 actuals.

1 Since the last COS application, 3 new positions have been added to NBHDL's resourcing complement and  
2 an additional resource has been added to address succession in the Operations department that covers  
3 the 2021-2025 planning horizon. These positions have been added to address gaps and risks that the new  
4 management team has identified for the business. These positions are described in Section 2.4.1.1.2.

5 NBHDL has re-tasked and shifted resources in other departments as explained in further detail below. The  
6 increase of 7 employees from 2019 actuals to the 2021 Test Year is a result of the new positions and filling  
7 vacancies.

8 (i) IT Department

9 As discussed above, the IT department only had one full-time resource in the 2015 COS. In 2016, the  
10 decision was made to change the IT organization by moving IT under the CEO to give it a more pan-  
11 business portfolio as per the *2015 COS IT Strategy*, removing the Billing portfolio so that it could be more  
12 specifically-focused on IT, and by starting the search for an experienced Senior IT manager to bring  
13 reliability, stability, and credibility back to IT. With the hire in 2017 of a new Senior IT manager, an extensive  
14 evaluation of IT skills and resources was conducted that identified many gaps.

15 *IT Analyst*

16 Prior to 2017, it was the IT manager's role to maintain network security, which had some outsourced  
17 components but was mainly handled in-house. As part of the 2017 gap analysis, it was found that  
18 networking knowledge and implementation was subpar, particularly with respect to the new requirements  
19 from the OEB for a greater emphasis on cyber security. Consequently, an IT Analyst position was created  
20 to specifically deal with the back-office support. Networking and layered security became the foundation,  
21 bringing security and reliability to the NBHDL IT infrastructure. Monitoring, proactive support, and expert  
22 knowledge has enabled IT to move forward with its next stage of asset renewal, with the IT Analyst leading  
23 many of the implementations. Having the in-house expertise allows IT to be responsive to issues, maintain  
24 institutional knowledge, and be able to be agile to meet the changing needs of the business.

25 *IT Specialist*

26 Previously the IT Specialist position was contracted to NBHDL from the City of North Bay, fulfilling the  
27 position on a full-time basis since 2005. Prior to this, back to 2001, the position was contracted a 3<sup>rd</sup>  
28 party. The position of IT Specialist was moved in-house and is responsible to support our Customer  
29 Information System hardware (IBM iSeries) and software (Central Square Naviline/HTE). This includes  
30 administrative-level access ensuring the hardware is running correctly and back-up jobs have been

1 completed, installing critical patches, managing security, and trouble-shooting issues. Additionally, this  
2 position has the in-depth knowledge of the HTE system to ensure that application security is managed, and  
3 all internal functions are available. It also provides critical services for the monthly billing process: printing,  
4 inserting, and mailing customer bills, plus providing ad hoc queries, Sync Operator services, EBT, and  
5 OESP import functions. While this position is considered a net new position, the labour costs are offset by  
6 lower contracted services resulting in a net neutral cost to the business.

7 *IT Specialist (Meter to Cash)*

8 The Meter to Cash (M2C) process is a cross-departmental function that spans Billing (Finance), Metering  
9 (Engineering) and Specialty Services (IT). M2C is the main driver of NBHDL's revenues, ensuring smart  
10 meters send their data, that data is successfully imported into the CIS, and bills are accurately generated  
11 and timely processed according to regulatory obligations.

12 The *2015 COS IT Strategy* identified an organizational and resource gap needing to coordinate the efforts  
13 of this important process, in which management concurred. The position is a facilitation, coordination, and  
14 technical role to help drive and maintain this process. Due to its technical skillset, the role overlaps many  
15 of IT skills and thus falls into the IT department.

16 The role brings a project management discipline to drive initiatives from beginning to end, coordinate  
17 activities across departments, supplement activities with technical skills, and create formal artifacts detailing  
18 processes, responsibilities, and identify future value-add opportunities. This resource will also be utilized to  
19 further evaluate current billing cycles and processes and will be influential in driving forward the effort to  
20 seek improvements in working capital requirements where possible given NBHDL's calendar month billing  
21 schedule.

22 (ii) Operations Department

23 Within NBHDL's Operations group, efficiencies in job planning and work organization allowed the group to  
24 operate with two fewer powerline maintainers without compromising safety and the capacity to complete  
25 work. The team also matured and new staff became more proficient at completing work assignments.

26 With the six-month disconnection moratorium each year and the fact that locates are mostly seasonal, two  
27 Customer Service Representative ("CSR") positions have essentially become obsolete for six months of  
28 the year. The busy locate season coincides with the heavy volume of disconnects/reconnects and a  
29 contractor is used to backfill this position. The use of contractors during the high-volume months has been  
30 in place for several years and this allows optimized workflow management throughout the year to deal with

1 the seasonality nature of the work. The utilization of a contractor to handle the seasonal volume of locates,  
2 disconnects, and reconnects, has resulted in newly gained efficiencies. After review, the two CSR positions  
3 have been re-tasked to address other important needs of the business. One position has been redirected  
4 to add a third Substation Electrician. This position will allow for better coverage in outages, increases the  
5 ability of the substation department to handle operations requests, and to increase the pool of resources  
6 available after hours to handle grid operations. The second position is being utilized to address identified  
7 gaps within the purchasing/inventory warehouse ("Stores") area of the business as a new storekeeper  
8 assistant position. This position is responsible for providing support to the storekeeper and will involve  
9 purchasing, receiving, issuing materials, and a wide variety of customer-oriented service work.

10 (iii) Finance

11 The addition of an Accountant to the Finance department was a result of re-tasking a Customer Account  
12 Specialist position in order to address gaps within the Finance department. Increased regulatory and  
13 financial analytics and reporting are required in the business and the current Accountant is unable to take  
14 on additional complex tasks appropriate to the level of knowledge and experience due to workload. A  
15 restructuring of the accounting department will further align tasks more suited for junior employees, provide  
16 cross-functional coverage, increase analytical work to drive further efficiencies in the business, produce  
17 capital spending reports with detailed analytics to support project budgeting and execution, and ensure  
18 accurate recording of regulatory deferral and variance accounting transactions including implementing and  
19 monitoring processes around RPP true up settlement.

20 (iv) CDM

21 The energy management advisor left the organization at the end of 2014, and upon review in 2015, this  
22 position was not replaced.

23 The 2021 Test Year complement of 53 is the minimum number of staff required to deliver the capital and  
24 OM&A work programs that address increasing demands and expectations of customers, and the successful  
25 support of provincial initiatives and regulatory requirements.

26 **(g) Employee Demographics**

27 NBHDL's more significant employee challenge has not been expanding the workforce, it has been  
28 managing employee turnover primarily due to retirements and the change in the management team that  
29 took place over the 2017-2019 period. Employee headcount fluctuations occurs when employees retire,  
30 new positions are added, or employees leave the organization. These changes can create a ripple of

change within the organization if employees are promoted to new vacancies as clearly identified in Exhibit 1. Through the 2017-2019 period, NBHDL experienced 82% turnover in management positions, mostly due to retirements. Since the new management team was put in place, the focus has been on recruiting staff, training and development, building a cohesive and highly functional team, gaining experience and confidence with equipment and routines, and working productively and safely.

NBHDL's employee demographics show a lower than industry average length of service in several departments of the business. The length of service in the non-union and Management category is the result of a new management team that has primarily been formed since 2018. These individuals have several years of experience within and outside the utility industry; the goal here was to marry industry experience with non-industry experience to provide a versatile Management team. The union category has a varying degree of service that is due to the turnover discussed above. As explained above in 2.4.1.1.2, there are retirements expected over the planning horizon and NBHDL has included one FTE in preparation of that. Table 4-16 outlines employee demographics by department.

**Table 4 - 16: Employee Demographics**

	Non-Union / Management		Union Employees	
Department	Avg. Age	Avg. Length of service	Avg. Age	Avg. Length of service
Accounting/Finance	39	11	34	9
CAS			41	10
Billing			50	17
IT	47	2		
Administration	39	11		
Human Resources	54	16		
Engineering	40	3	39	8
Lines			37	11
Operations Administration	58	31	48	17
Customer Services Reps.			48	9
Metering			39	6
Substations			48	20
Stores			38	9
<b>Total</b>	<b>46</b>	<b>12</b>	<b>42</b>	<b>12</b>

**2.4.3.2.2 Change in Employee Headcount Year over Year**

**(a) 2016 vs 2015**

In 2016, total staff complement increased to 48, refer to Table 4-14 for a summary by department:

- The addition of a Distribution Engineer to provide technical expertise and engineering skills to assist with the planning and design of the distribution system and implementation of utility's capital expansion, operations, and maintenance programs. Other duties include technical analysis to identify need for system expansions, planning system expansions, project management, preparation of reports and making recommendations that ensure the efficient and reliable operation of the distribution system.
- In 2015, the Engineer in Training left NBHDL and this position was filled in 2016.
- Two Engineering Technicians were hired for the replacement of a retiring technician and to fill an Engineering Technician position vacated by individual who left the organization.

1

**Table 4 - 17- 2016 Actual vs 2015 Actual**

Department	2015 Actual	2016 Actual	2016 vs 2015
<b>Operations</b>			
Operations Administration	3	3	-
Lines	14	14	-
Customer Services	2	2	-
Stores	1	1	-
Substations	2	2	-
Metering	2	2	-
<b>Total</b>	24	24	-
<b>Engineering</b>			
Engineering	7	9	2
<b>Total</b>	7	9	2
<b>Finance</b>			
Accounting/Finance	5	5	-
Billing	2	2	-
CAS	5	5	-
<b>Total</b>	12	12	-
<b>Administration</b>			
Administration	1	1	-
Human Resources	1	1	-
CDM	-	-	-
IT	1	1	-
<b>Total</b>	3	3	-
<b>Total</b>	<b>46</b>	<b>48</b>	<b>2</b>

2

3 **(b) 2017 vs 2016**

4 In 2017, total staff complement decreased to 45, refer to Table 4-18 for a summary:

- 5 ➤ One Powerline Maintainer was released from organization and another retired; subsequently, these
- 6 positions were not filled due to efficiencies that were introduced in Operations combined with staff
- 7 obtaining more experience. This change did not impact productivity nor safety.

- Due to the announcement of the planned retirement of the President and Chief Operating Officer in September 2018, the Manager, Engineering was promoted to this position in October 2017. This increased complement in the Administration Department but decreased complement in the Engineering Department as the Manager, Engineering position remained vacant.
- The Junior Accountant resigned from organization and this position was filled with a new hire who was released during probation. Internal movement of a Customer Accounts Specialist to the position of Junior Accountant created a vacancy in the position of Customer Accounts Specialist; due to work load volume being driven by the new disconnection moratorium, this vacant position was ultimately eliminated.
- The Manager, Finance retired and this position was filled internally by the Regulatory Manager, leaving the Regulatory Manager position vacant.
- A new senior IT manager was hired and the previous IT manager left the organization.

**Table 4 - 18- 2017 Actual vs 2016 Actual**

Department	2016 Actual	2017 Actual	2017 vs 2016
<b>Operations</b>			
Operations Administration	3	3	-
Lines	14	12	(2)
Customer Services	2	2	-
Stores	1	1	-
Substations	2	2	-
Metering	2	2	-
<b>Total</b>	<b>24</b>	<b>22</b>	<b>(2)</b>
<b>Engineering</b>			
Engineering	9	8	(1)
<b>Total</b>	<b>9</b>	<b>8</b>	<b>(1)</b>
<b>Finance</b>			
Accounting/Finance	5	5	-
Billing	2	2	-
CAS	5	4	(1)
<b>Total</b>	<b>12</b>	<b>11</b>	<b>(1)</b>
<b>Administration</b>			
Administration	1	2	1
Human Resources	1	1	-
CDM	-	-	-
IT	1	1	-
<b>Total</b>	<b>3</b>	<b>4</b>	<b>1</b>
<b>Total</b>	<b>48</b>	<b>45</b>	<b>(3)</b>



**(c) 2018 vs 2017**

In 2018, total complement decreased to 44, refer to Table 4-19 for a summary:

- The retirement of the President and Chief Operating Officer.
- The Operations Supervisor retired and was replaced internally by a Powerline Maintainer. That position was replaced with a Powerline Maintainer Learner.
- A Powerline Maintainer retired and the position was filled with an external candidate.
- The Meter Technician Leadhand retired and this position was filled internally by the Meter Technician and Meter Technician was filled with a new external hire.
- A Senior Billing Control Clerk retired, and this position remained vacant until 2020.
- An Engineering Technician left the organization creating a vacancy.
- The Vice-President, Engineering was hired for the replacement of the Manager, Engineering position that was vacant due to the promotion of the previous Manager, Engineering to President and CEO in 2017.
- The new position of IT Analyst was created and filled.
- The Regulatory Manager position was filled internally by an Accountant, and the vacant Accountant position was filled with an external new hire.

1

**Table 4 - 19- 2018 Actual vs 2017 Actual**

Department	2017 Actual	2018 Actual	2018 vs 2017
<b>Operations</b>			
Operations Administration	3	3	-
Lines	12	12	-
Customer Services	2	2	-
Stores	1	1	-
Substations	2	2	-
Metering	2	2	
<b>Total</b>	22	22	-
<b>Engineering</b>			
Engineering	8	8	-
<b>Total</b>	8	8	-
<b>Finance</b>			
Accounting/Finance	5	5	-
Billing	2	1	(1)
CAS	4	4	-
<b>Total</b>	11	10	(1)
<b>Administration</b>			
Administration	2	1	(1)
Human Resources	1	1	-
CDM	-	-	-
IT	1	2	1
<b>Total</b>	4	4	-
<b>Total</b>	45	44	(1)

2

3 **(d) 2019 vs 2018**

4 In 2019, complement increased to 46, refer to Table 4-20 for a summary:

5 ➤ The Operations Dispatcher retired, resulting in the position being filled with the internal movement  
6 of a Customer Accounts Specialist. The Customer Accounts Specialist position was filled by the  
7 internal movement of a Customer Service Representative and the Customer Service  
8 Representative position remained vacant and was subsequently re-purposed as a Substation  
9 Electrician Learner.

10 ➤ The Engineering Technician position was filled from a vacancy created in 2018.

11 ➤ The newly created position of Communications Officer was filled.

- The new position of IT Specialist was created due to the retirement of the contract staff supporting the customer information system.

**Table 4 - 20- 2019 Actual vs 2018 Actual**

Department	2018 Actual	2019 Actual	2019 vs 2018
<b>Operations</b>			
Operations Administration	3	3	-
Lines	12	12	-
Customer Services	2	1	(1)
Stores	1	1	-
Substations	2	2	-
Metering	2	2	-
<b>Total</b>	22	21	(1)
<b>Engineering</b>			
Engineering	8	9	1
<b>Total</b>	8	9	1
<b>Finance</b>			
Accounting/Finance	5	5	-
Billing	1	1	-
CAS	4	4	-
<b>Total</b>	10	10	-
<b>Administration</b>			
Administration	1	2	1
Human Resources	1	1	-
CDM	-	-	-
IT	2	3	1
<b>Total</b>	4	6	2
<b>Total</b>	44	46	2

**(e) 2020 Bridge Year vs 2019**

Complement will increase to 50, refer to Table 4-21 for a summary:

- A new Accountant position will be added with recruitment underway.
- The new position of IT Specialist (M2C) was created and filled.

- A vacancy for the Distribution Engineer position has been filled internally with the Distribution Coordinator, and recruitment for the Distribution Coordinator is in progress.
- A Customer Service Representative position will be eliminated and redirected to new Storekeeper Assistant position.
- The Customer Service Representative position that was vacant in 2019 will be re-purposed to a Substation Electrician Learner and recruitment is underway for this position.
- The position of Senior Billing Control Clerk has been filled internally by the Junior Accountant and recruitment is underway to backfill the position.

**Table 4 - 21- 2020 Bridge year vs. 2019**

Department	2019 Actual	2020 Bridge Year	2020 vs 2019
<b>Operations</b>			
Operations Administration	3	3	-
Lines	12	12	-
Customer Services	1	-	(1)
Stores	1	2	1
Substations	2	3	1
Metering	2	2	-
<b>Total</b>	21	22	1
<b>Engineering</b>			
Engineering	9	9	-
<b>Total</b>	9	9	-
<b>Finance</b>			
Accounting/Finance	5	6	1
Billing	1	2	1
CAS	4	4	-
<b>Total</b>	10	12	2
<b>Administration</b>			
Administration	2	2	-
Human Resources	1	1	-
CDM	-	-	-
IT	3	4	1
<b>Total</b>	6	7	1
<b>Total</b>	46	50	4

**(f) 2021 Test Year vs. 2020 Bridge Year**

In 2021, the complement will increase to 53 with the 3 new positions, refer to Table 4-22 for a summary:

- An Administrative Assistant will be added.
- An Operations Coordinator will be added.
- Succession for the Operations department will begin.

**Table 4 - 22- 2021 Test Year vs. 2020 Bridge Year**

Department	2020 Bridge Year	2021 Test Year	2021 vs 2020
<b>Operations</b>			
Operations Administration	3	5	2
Lines	12	12	-
Customer Services	-	-	-
Stores	2	2	-
Substations	3	3	-
Metering	2	2	-
<b>Total</b>	<b>22</b>	<b>24</b>	<b>2</b>
<b>Engineering</b>			
Engineering	9	9	-
<b>Total</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Finance</b>			
Accounting/Finance	6	6	-
Billing	2	2	-
CAS	4	4	-
<b>Total</b>	<b>12</b>	<b>12</b>	<b>-</b>
<b>Administration</b>			
Administration	2	2	-
Human Resources	1	2	1
CDM	-	-	-
IT	4	4	-
<b>Total</b>	<b>7</b>	<b>8</b>	<b>1</b>
<b>Total</b>	<b>50</b>	<b>53</b>	<b>3</b>

**2.4.3.2.3 FTE, Wages and Benefit Variance Analysis:**

NBHDL completed the Board's Appendix 2-K, included above as Table 4-13. Table 4-23 provides the cost variance year over year from 2015 Board Approved through to the 2021 Test Year. All FTE's and corresponding wages and benefits are included in the variance analysis below.

**Table 4 - 23– FTE and Employee Cost Variance (Appendix 2-K)**

	2015 Board Approved vs 2015 Actual	2015 Actual vs 2016 Actual	2016 Actuals vs 2017 Actual	2017 Actuals vs 2018 Actuals	2018 Actuals vs 2019 Actuals	2019 Actuals vs 2020 Bridge Year	2020 Bridge Year vs 2021 Test Year
<b>Total Salary and Wages including overtime and incentive pay</b>							
Management (including executive)	\$ (119,843)	\$ 185,023	\$ 146,192	\$ 98,249	\$ (153,887)	\$ 134,953	\$ 288,193
Non-Management (union and non-union)	\$ (267,946)	\$ 50,935	\$ 33,527	\$ (110,892)	\$ 38,149	\$ 366,376	\$ 147,761
Total	\$ (387,789)	\$ 235,958	\$ 179,719	\$ (12,642)	\$ (115,738)	\$ 501,330	\$ 435,954
<b>Total Benefits (Current + Accrued)</b>							
Management (including executive)	\$ (38,472)	\$ 43,131	\$ 28,741	\$ 22,172	\$ (28,473)	\$ 36,803	\$ 83,827
Non-Management (union and non-union)	\$ (46,041)	\$ 16,124	\$ 3,494	\$ (21,670)	\$ 1,909	\$ 105,001	\$ 60,365
Total	\$ (84,513)	\$ 59,255	\$ 32,236	\$ 502	\$ (26,564)	\$ 141,804	\$ 144,192
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>							
Management (including executive)	\$ (158,316)	\$ 228,154	\$ 174,933	\$ 120,422	\$ (182,360)	\$ 171,756	\$ 372,021
Non-Management (union and non-union)	\$ (313,987)	\$ 67,059	\$ 37,022	\$ (132,562)	\$ 40,058	\$ 471,378	\$ 208,126
Total	\$ (472,302)	\$ 295,213	\$ 211,955	\$ (12,140)	\$ (142,302)	\$ 643,134	\$ 580,146

**(a) 2015 Actuals vs 2015 Board Approved:**

The overall decrease of \$472,302 is primarily impacted by three budgeted positions that remained vacant in the Administration and Engineering departments, a number of transitions throughout the year resulting in reduced compensation, and lower overtime within the Operations department.

**(b) 2015 Actual vs 2016 Actual:**

The overall increase of \$295,213 is primarily impacted by filling vacancies in the Engineering department, increased overtime for the Operations department, wage inflation and progression for management staff, and wage increases and progression for union staff based on the Collective Bargaining Agreement.

**(c) 2016 Actual vs 2017 Actual:**

The overall increase of \$211,955 is primarily impacted by the full year cost of positions filled in late 2016 and a new Senior IT Manager, offset by the retirement of a Powerline Maintainer. Wage inflation and salary progression for management staff and wage increases and progression for union staff based on the Collective Bargaining Agreement also contribute to the variance.

**(d) 2017 Actual vs 2018 Actual:**

The overall decrease of \$12,140 is not material and therefore not discussed in detail.

**(e) 2018 Actual vs 2019 Actual:**

The overall decrease of \$142,302 is reflective of a new management team at the lower end of pay ranges and the impact of retirements, offset by wage inflation and salary progression for management staff, and wage increases and progression for union staff based on the Collective Bargaining Agreement.

**(f) 2019 Actual vs 2020 Bridge Year:**

With the new management team in place, assessments were made on staffing levels and it was determined that the resource levels that were approved in the 2015 COS Application were required to meet the needs of the business. The overall increase of \$643,134 is primarily driven by the filling of vacancies and addressing gaps identified in the business including a Communications Officer. Wage inflation and salary progression for management staff and wage increases and progression for union staff based on the Collective Bargaining Agreement also contribute to the variance.

**(g) 2020 Bridge Year vs 2021 Test Year:**

The overall increase of \$580,146 is impacted by two new positions, the Administrative Assistant and Operations Coordinator, succession for critical management roles in the Operations department, and the continued filling of vacancies. Wage inflation and salary progression for management staff and wage increases and progression for union staff based on the Collective Bargaining Agreement also contribute to the variance.

**2.4.3.2.4 Employee Benchmarking**

Table 4-24 below compares NBHDL to other similarly sized LDC's using the 2019 OEB Yearbook, the last year that is available. It also compares NBHDL to its 2015 approved levels and 2021 forecasted levels. NBHDL annually participates in and reviews the MEARIE Management Salary Survey of Local Distribution Companies.

**Table 4 - 24: Benchmarking**

	North Bay Hydro Distribution Limited		North Bay Hydro Distribution Limited	Halton Hills Hydro Inc.	PUC Distribution Inc.	Welland Hydro - Electric System	Westario Power Inc.	Festival Hydro Inc.	Bluewater Power Distribution Corporation	Essex Powerlines Corporation	ERTH Power Corporation
	2015 Board Approved	2021 Test Year	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual
Number of Customers	24,039	24,271	24,199	22,528	33,647	23,664	23,774	21,382	36,743	30,393	23,380
Total Service Area (sq km)	330	330	330	281	342	81	64	43	208	93	1895
Number of FTE	49	53	45	51	80	38	39	41	122	46	45
Customers/FTE	489	458	538	442	421	623	610	522	301	661	520
Service Area/FTE	7	6	7	6	4	2	2	1	2	2	42

#### 2.4.3.2.5 Benefit Program Costs

A detailed summary of benefit program costs is presented in Table 4-25.

Statutory deductions have increased 32% between 2015 Actual and 2021 Test Year a result of the staff complement increasing from 49 to 53, rate increases, a CPP rate increase in 2019, succession planning and wage increases over the same period. At the time of 2021 budget preparation, NBHDL estimated an increase for each statutory benefit in line with historical increases.

Company benefits have increased almost 39% over the same timeframe primarily driven by OMERS increases, and health benefits costs as a result of a full complement of staff in the 2021 Test Year.



**Table 4 - 25: Benefit Expense**

Benefit	2015 Actual Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
<b>Statutory</b>								
CPP- Employer's Portion	123,839	115,317	120,195	123,304	124,031	124,781	146,061	167,979
EI- Employer's Portion	59,001	56,620	58,612	50,775	52,662	49,878	53,267	57,068
Employer's Health Tax	83,176	77,125	81,747	85,211	84,929	82,760	88,005	99,306
WSIB	46,493	34,372	44,910	40,441	40,182	38,941	49,193	49,506
<b>Total Statutory</b>	<b>312,508</b>	<b>283,435</b>	<b>305,464</b>	<b>299,732</b>	<b>301,803</b>	<b>296,359</b>	<b>336,525</b>	<b>373,859</b>
<b>Company</b>								
OMERS	417,569	399,058	420,679	441,201	434,012	430,516	476,459	527,745
LTD/STD Insurance	61,422	55,567	57,604	62,897	54,980	50,143	57,795	66,635
Life Insurance	11,211	10,818	10,471	10,517	9,388	9,641	14,649	17,860
Health Benefits	173,378	163,994	175,318	183,953	197,716	181,374	229,982	273,787
Other	59,380	38,082	40,674	44,146	45,049	48,352	42,779	42,495
<b>Sub Total Company</b>	<b>722,961</b>	<b>667,520</b>	<b>704,746</b>	<b>742,714</b>	<b>741,145</b>	<b>720,025</b>	<b>821,663</b>	<b>928,522</b>
<b>Benefits Prior to EFB</b>	<b>1,035,469</b>	<b>950,955</b>	<b>1,010,210</b>	<b>1,042,446</b>	<b>1,042,948</b>	<b>1,016,384</b>	<b>1,158,188</b>	<b>1,302,381</b>
Employee Future Benefits	271,960	271,960	238,007	239,718	269,846	260,166	266,541	295,030
<b>Total Company</b>	<b>1,307,429</b>	<b>1,222,915</b>	<b>1,248,217</b>	<b>1,282,164</b>	<b>1,312,794</b>	<b>1,276,550</b>	<b>1,424,730</b>	<b>1,597,411</b>

#### 2.4.3.2.6 OMERS Pension Plan

NBHD employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDC's participate in; therefore, the pension benefit provided to NBHD employees is consistent with that of other LDC's. The plan is a contributory defined pension plan which is financed by equal contributions from the employer and employee based on the employee's contributory earnings. NBHD's pension premium information for 2015 – 2019 Actual, 2020 Bridge Year and 2021 Test Year is detailed in Table 4-26 below. For the 2021 Test Year, NBHD assumed OMERS rates of 9% on earnings up to CPP earning limits and 14.6% on earnings over CPP earnings limit as per OMERS's news letter dated November 14, 2019 "The 2020 YMPE, preparing for 119-season and more!"

**Table 4 - 26: OMERS Pension Expense**

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
OMERS	399,058	420,679	441,201	434,012	430,516	476,459	527,745

The increase in OMERS premiums from 2015 through 2021 Test Year over the six-year period are explained by the increase in pension contribution rates as well as the increase in complement (4 positions).

**2.4.3.2.7 Post-Retirement Benefits**

NBHDL provides a post-employment benefit life insurance and health care plan to all active full-time employees under the age of 65 through a group defined benefit plan. NBHDL recognized the need to reduce the post-retirement benefits and in 2005 negotiated changes to the plan to restrict benefits to the period after retirement until age 65 for all employees that retire after June 15, 2005. Employees that retired prior to June 15, 2005 have benefit plans for life.

The cost of post-employment benefits is actuarially determined using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. Under this method, the projected post-retirement benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period commencing at date of hire and ending at the earliest age the employee could retire and qualify for benefits. The current service cost for the period is equal to the employees' services rendered in the period. Past service costs from the plan amendments are amortized on a straight-line basis over the average remaining service period of the employee's active at the date of amendment.

RSM Canada completed an Actuarial Valuation Report of NBHDL's post-retirement benefits and non-vested sick leave liability that details the benefit expense for fiscal 2019 and plan obligation under IFRS as well as the valuation of the sick leave liability. At December 31, 2019, the post-retirement benefits liability was valued at \$4,316,341. A loss on actuarial valuation, net of taxes of \$194,340 was recorded in Other Comprehensive Income in 2019. The non-vested sick leave was valued at \$220,400. A copy of the actuarial valuation report is provided in Appendix 4-B.

Table 4-27 below summarizes the amount of post-retirement benefits that are included in benefit costs for the 2015 through 2019 Actuals, 2020 Bridge Year and 2021 Test Year. The table also provides the reconciliation of the post-retirement benefits liability at the end of each year for the 2015 through 2019 historical period, 2020 Bridge Year, and 2021 Test Year. The accounting for post-employment benefits is on an accrual basis and the approach has not changed from 2015 COS application.

**Table 4 - 27– Post-Retirement Benefits Liability**

Employee Future Benefits	2015 Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Reporting Basis	IAS 19	IAS 19	IAS 19	IAS 19	IAS 19	IAS 19	IAS 19	IAS 19
Premiums Paid	271,960	249,749	238,007	239,718	269,846	260,166	266,541	295,030
Change in Liability Account	(11,081)	2,022	11,316	(28,452)	(57,580)	(40,225)	(24,905)	(28,735)
<b>Total Employee Future Benefits</b>	<b>260,879</b>	<b>251,771</b>	<b>249,323</b>	<b>211,266</b>	<b>212,266</b>	<b>219,941</b>	<b>241,636</b>	<b>266,294</b>

EFB Liability Account	2015 Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Accrued Benefit Obligation, Opening Balance	4,300,770	4,688,803	4,690,824	4,005,164	4,360,962	4,092,159	4,316,342	4,291,437
Actuarial Expense	260,879	251,771	249,323	211,266	212,266	219,941	241,636	266,294
Actuarial (Gains)/Losses	-	-	(696,976)	384,250	(211,223)	264,408	-	-
Premiums Paid	(271,960)	(249,749)	(238,007)	(239,718)	(269,846)	(260,166)	(266,541)	(295,030)
Accrued Benefit Obligation, Ending Balance	4,289,689	4,690,824	4,005,164	4,360,962	4,092,159	4,316,342	4,291,437	4,262,701

NBHDL also provides non-vesting sick-leave benefit to its employees. Under IFRS, an entity must recognize this non-vested sick leave as a potential liability on its Statement of Financial Position. Actuarial gains and losses on accumulated sick-leave credits are recognized in the statement of income in the period in which they arise. Table 4-28 details the transactions to the non-vested sick leave liability. Beginning at the effective date of IFRS adoption, NBHDL had an actuary calculate the potential balance of its sick leave liability, thus, there was no 2015 Board Approved balance. Table 4-29 provides a breakdown of capitalized benefits.

**Table 4 - 28– Non-Vested Sick Leave Liability**

Non-Vested Sick Leave Liability	2015 Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Opening Balance	N/A	-	245,200	200,400	198,800	164,500	220,400	225,100
Retained Earnings Adjustment (IFRS Transition)	N/A	240,500	-	-	-	-	-	-
Non-Vest Sick Leave Adjustment	N/A	4,700	(44,800)	(1,600)	(34,300)	55,900	4,700	4,700
Non-Vested Sick Leave Liability	N/A	245,200	200,400	198,800	164,500	220,400	225,100	229,800

**Table 4 - 29 – Breakdown of Capitalized Benefits**

Benefit	2015 Actual Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
<b>Statutory</b>								
CPP- Employer's Portion	123,839	115,317	120,195	123,304	124,031	124,781	146,061	167,979
EI- Employer's Portion	59,001	56,620	58,612	50,775	52,662	49,878	53,267	57,068
Employer's Health Tax	83,176	77,125	81,747	85,211	84,929	82,760	88,005	99,306
WSIB	46,493	34,372	44,910	40,441	40,182	38,941	49,193	49,506
<b>Total Statutory</b>	<b>312,508</b>	<b>283,435</b>	<b>305,464</b>	<b>299,732</b>	<b>301,803</b>	<b>296,359</b>	<b>336,525</b>	<b>373,859</b>
<b>Company</b>								
OMERS	417,569	399,058	420,679	441,201	434,012	430,516	476,459	527,745
LTD/STD Insurance	61,422	55,567	57,604	62,897	54,980	50,143	57,795	66,635
Life Insurance	11,211	10,818	10,471	10,517	9,388	9,641	14,649	17,860
Health Benefits	173,378	163,994	175,318	183,953	197,716	181,374	229,982	273,787
Other	59,380	38,082	40,674	44,146	45,049	48,352	42,779	42,495
<b>Sub Total Company</b>	<b>722,961</b>	<b>667,520</b>	<b>704,746</b>	<b>742,714</b>	<b>741,145</b>	<b>720,025</b>	<b>821,663</b>	<b>928,522</b>
<b>Benefits Prior to EFB</b>	<b>1,035,469</b>	<b>950,955</b>	<b>1,010,210</b>	<b>1,042,446</b>	<b>1,042,948</b>	<b>1,016,384</b>	<b>1,158,188</b>	<b>1,302,381</b>
Employee Future Benefits	271,960	271,960	238,007	239,718	269,846	260,166	266,541	295,030
<b>Total Company</b>	<b>1,307,429</b>	<b>1,222,915</b>	<b>1,248,217</b>	<b>1,282,164</b>	<b>1,312,794</b>	<b>1,276,550</b>	<b>1,424,730</b>	<b>1,597,411</b>
<b>Capitalized Benefits</b>	<b>348,125</b>	<b>262,241</b>	<b>287,937</b>	<b>331,563</b>	<b>313,511</b>	<b>293,487</b>	<b>323,501</b>	<b>358,624</b>

#### 2.4.3.3 SHARED SERVICES/CORPORATE COST ALLOCATION

NBHDL currently has relationships with North Bay Hydro Services ("NBHS") an affiliated company, Espanola Regional Hydro Distribution Corporation ("ERHDC") an affiliated company, and the City of North Bay ("CNB") the shareholder. These relationships are for either the purchase of or provision of products and services and are in place to benefit from cost savings due to increased efficiencies and economies of scale. A summary of the transactions and pricing methodology used to assign costs for 2015 Actual, 2016 Actual, 2017 Actual, 2018 Actual, 2019 Actual and projections for the 2020 Bridge Year and 2021 Test Year, are shown in the following Board Appendices 2-N as per the "Filing Guidelines" (Appendix 2-N OEB).

##### 2.4.3.3.1 Shared Services to Affiliates

###### (a) NBHDL services and products to NBHS

NBHDL charges a 15% administration fee on all of the specific charges described below. The total value is summarized on the Management Fee line of the table and recorded in 4375 – Revenues from Non-Utility Operations.

NBHDL's CEO and VP of Finance provide strategic and financial planning, risk management, employee management and mentoring along with Board meeting preparation and attendance to the NBHS business. Cost for this service is based on actual time incurred and reported on timesheets, at the employee's wage

1 rate plus applicable payroll burdens. NBHDL's Communication Officer ("CO") also provides support to the  
2 NBHS business in the form of assistance on communications, promotions, advertising, and strategic  
3 support/direction from a customer services perspective. As with all NBHDL employees, the costs for this  
4 are based on actual time incurred and reported on timesheets, at the employee's wage rate plus applicable  
5 payroll burdens. NBHDL is able to offset costs related to the new CO role through providing these services  
6 to its affiliate.

7 Financial and administrative services include financial reporting, accounts payable, accounts receivable,  
8 payroll, banking, business planning, audits and customer account specialist services. Cost for this service  
9 is based on actual time incurred and reported on timesheets, based on the individual employee's rate plus  
10 payroll burdens. Payroll services charged in 2015 and 2016 related to health benefits that NBHDL  
11 processed for NBHS employees, however, as of 2017, NBHS is billed directly for their benefit package with  
12 MEARIE.

13 NBHDL provides contracted services to perform sentinel light installation and repairs as well as repairs to  
14 street lights, the Merrick Landfill site, the Cogen plant, and the Community Energy Park as required. Costs  
15 for these services are on an as needed basis and are charged as actual time reported on timesheets, based  
16 on the individual employee's rate plus payroll burdens, plus NBHDL's standard hourly rate for fleet.

17 NBHDL charges NBHS an occupancy cost based on the occupied square footage, which is reviewed  
18 annually for changes.

19 Human Resources includes labour relations, recruitment, training and benefit management. Charges are  
20 based on headcount unless the costs can be directly attributed to NBHS.

21 NBHDL's IT staff support NBHS staff by providing computer and network related services. IT costs are  
22 allocated out based on the number of users and also include an assumption of 5% of the IT manager's time  
23 based on the level of activity required to support NBHS' business.

24 The Materials and Services category includes materials for the repair and installation of sentinel lights, and  
25 repairs for street light maintenance, the Merrick Landfill, the Cogen plant, and the Community Energy Park.  
26 This category also includes fuel (prior to 2017), communication services, office expenses, and advertising.  
27 The materials and services directly purchased are charged out at cost and are subject to the administration  
28 fee of 15%. Beginning in in 2017, costs that could be billed directly to NBHS by the vendor were directed  
29 to do so, for example the City of North Bay bills NBHS directly for fuel purchases.

1 NBHDL also provides billing services for NBHS's rental business. NBHS is charged on a per-bill rate. It is  
2 important to note that NBHDL's time resources required for this service are included in the Financial and  
3 Administrative Services charges based on an actual cost basis through timesheet allocation. Beginning in  
4 2018, a postage charge-out was also included which accounts for NBHS' use of NBHDL's postage machine  
5 in relation to additional notices sent out to NBHS customers only which is tracked individually through the  
6 machine. NBHDL will be increasing this rate on an inflationary basis on a go-forward basis. The increase  
7 is immaterial.

8 NBHS' Community Energy Park purchases electricity from NBHDL. Actuals and estimates are based on  
9 consumption at market rate and projections are based on the load forecast at the forecasted market rate.

10 NBHDL has a promissory note with NBHS. The loan is for \$200,000 and interest is paid at TD's current  
11 Prime Rate of 2.45%. Interest earned off of this loan is included in Other Revenue as a revenue offset and  
12 is in place for 5 years.

13 **(b) NBHDL services and products to ERHDC**

14 NBHDL's CEO and VP of Finance provide strategic and oversight services along with Board meeting  
15 preparation and attendance to the ERHDC business. Cost for this service is based on actual time incurred  
16 and reported on timesheets, at the employee's wage rate plus applicable payroll burdens. NBHDL charges  
17 a 15% administration fee on these charges. No amounts have been budgeted for these services in 2021  
18 as the amounts are immaterial to NBHDL (total charges to ERHDC in 2020 were approximately \$10,000).

19 NBHDL has three inter-company loan arrangements with ERHDC and a fourth expected in April 2021.

20 A promissory note is in place for the original \$200,000 deposit that was made in relation to the acquisition  
21 of ERHDC by North Bay (Espanola) Acquisition Inc. Interest is charged based on TD Bank's prime rate,  
22 which ranged from 3.95% in 2019 to 2.45% in 2020. Interest only payments are in place for 3 years from  
23 the date of the loan. Interest earned off of this loan is included in Other Revenue, as a revenue offset, with  
24 \$4,984.93 expected to be charged in the 2021 Test Year.

25 A second loan of \$265,000 is evidenced by a promissory note between NBHDL and ERHDC to cover  
26 interest payments on a loan that ERHDC has with TD Bank. Interest is charged based on TD Bank's prime  
27 rate, which has held steady at 2.45% for the duration of the loan. Interest only payments are in place for 3  
28 years from the date of the loan. Interest earned off of this loan is included in Other Revenue, as a revenue  
29 offset, with \$6,605.03 expected to be charged in the 2021 Test Year.

NBHDL has also provided ERHDC with a credit facility with a maximum draw amount of \$1,100,000 to cover the costs associated with ERHDC's 2021 COS application. As of the date of this application, NBHDL has made two advances totaling \$217,090. An additional advance of \$120,000 is estimated early in 2021 Q1 to cover costs incurred between October and December of 2020 and an estimate of \$234,910 is expected in late Q2 once final costs for the application are determined. Interest is calculated based on TD Bank's prime rate, which has held steady at 2.45% for the duration of the respective advances. Interest only payments are in place for 3 years from the date of each advance. Interest earned off of this loan is included in Other Revenue, as a revenue offset, with \$12,738.04 expected to be charged in the 2021 Test Year.

NBHDL has also provided ERHDC with two advances of \$177,940 and \$173,411 respectively (each categorized as a trade receivable), for which interest is charged based on TD Bank's prime rate, which ranged from 3.95% in 2019 to 2.45% in 2020. Interest earned off of this loan is included in Other Revenue, as a revenue offset, with \$8,757.30 expected to be charged in the 2021 Test Year.

In total, NBHDL has \$37,330.85 incorporated as a revenue offset in the 2021 Test Year. For the 2020 Bridge Year, the interest that will be charged to ERHDC for these items will be \$21,646.07, in addition to any reconciliation adjustments. At the time of budget preparation, NBHDL had only included \$10,354.76 in the Bridge Year. NBHDL submits this amount is immaterial, but will update values through the interrogatory process.

**(c) NBHDL services and products to CNB**

The CNB purchases electricity for their commercial buildings, facilities and streetlights from NBHDL. The prior year actuals are based on consumption at market rate and projections are based on the load forecast at the forecasted market rate.

Construction Activity cost transfer is based on a cost recovery formula; the CNB contributes 50% of all labour, labour saving devices and material costs for road relocation work. In the case where the CNB directs NBHDL to replace overhead plant with underground plant, the CNB funds the cost differential between the overhead and underground plant.

NBHDL provides street light installations to the CNB on a cost-based price. The cost-base includes actual materials, labour and burdens, truck time and allocated overheads and is the same rate charged to third parties.

**2.4.3.3.2 Shared Services from Affiliates**

**(a) CNB services and products to NBHDL**

The CNB provided financing through a promissory note of \$19,511,601 in 2002, bearing interest of 5% per year. In 2016, the CNB called the loan and NBHDL obtained commercial financing. Details on interest expense and debt can be found in Exhibit 5.

NBHDL pays the CNB for property taxes based on specific location assessment value at the market tax rate. Property taxes for the 2021 Test Year are based on 2020's forecasted cost, increased by 3.5%.

CNB provided NBHDL with IT services including an IT employee on site to complete programming, printing and reporting services plus a team of other IT professionals for vacation and sick leave coverage and specific specialty services as required. These services were at cost. In 2019, that individual retired and the position was filled internally by NBHDL.

NBHDL purchases fuel for its fleet from the CNB at bulk price plus a 5% markup. The fuel purchases are recorded by truck, by purchase, and billed to NBHDL on a monthly basis.

**(b) NBHS services and products to NBHDL**

NBHS provides building maintenance services throughout the year and electrician services for capital projects. Historically NBHS also provided resources to assist NBHDL with customer communication and administrative services including customer engagement, marketing, and the administration of the MicroFit connection process. In 2019, NBHDL hired the NBHS employee directly with the ability to charge back to NBHS as required. All charges from NBHS are billed at cost, plus a 15% administration fee. NBHS provides quotes for competitive electrician work on capital projects.

**2.4.3.3.3 Corporate Cost Allocations**

NBHDL does not have any corporate cost allocations.

**2.4.3.3.4 Summary and Variance Analysis of Affiliate Products and Services**

Table 4-30 below identifies variances of the 2021 Test Year versus 2015 Board Approved and 2019 Actual for services provided to affiliates and services provided to NBHDL from its affiliates.

NBHDL does not have any Board of Director-related costs for affiliates included in its OM&A costs.



**Table 4 - 30: Summary of Affiliate Products and Services**

Item	2015 Board Approved	2019 Actual	2021 Test Year	2021 Test Year vs 2015 Board Approved	2021 Test Year vs 2019 Actual
Services provided by NBHDL	4,225,790	3,771,200	4,007,293	(218,498)	236,093
Service provided to NBHDL	1,275,156	300,335	192,537	(1,082,619)	(107,798)

**(a) 2021 Test Year versus 2015 Board Approved**

NBHDL's services provided to its affiliates are projected to decrease by \$218,498 in the 2021 Test Year over the 2015 Board approved. The CNB's purchases for electricity accounts for \$589,259, offset by purchased power from NBHS for the Community Energy Park (CEP) of \$236,636. Electricity costs are based on the load forecast and rates used to determine the cost of power which are explained in Exhibit 2. NBHS charges are projected to increase by \$137,318 mainly due to the increased complexity of the business requiring more executive, financial and administrative services.

NBHDL's services received from its affiliates decreased by \$1,082,619 in the 2021 Test Year over the 2015 Board approved and this is primarily driven by the CNB debt that was called in late 2016. As a result, the interest expense on the CNB loan has decreased \$975,580 since the last rate application. Services from the CNB decreased by a further \$122,887 as a result of the CNB IT service contract ending in 2019 and lower fuel purchases, offset by higher property taxes.

**(b) 2021 Test Year versus 2019 Actual**

NBHDL's services provided to its affiliates are projected to increase by \$236,093 in the 2021 Test Year over the 2019 Actual. Purchased power from NBHS for the CEP is expected to increase \$93,648. NBHS charges for executive, financial and administrative services are projected to increase from 2019 Actual by \$94,145 as explained above in Section 2.4.3.3.2. Other revenue offsets of \$42,316 from interest charges on affiliate promissory notes as explained above in Section 2.4.3.3.1 also contribute to the variance.

NBHDL's services received from its affiliates are projected to decrease by \$107,798 in the 2021 Test Year over the 2015 Actual. The end of the CNB IT support contract and the hiring of an NBHDL employee to handle communications are the drivers of this variance.

1        **(c)        Reconciliation of Revenues from Affiliates**

2        NBHDL's services provided to its affiliates outlined in Board Appendix 2-N are reconciled as recorded in  
3        USofA accounts in Table 4-31 below. Some of the services are included as revenue offsets and others are  
4        recorded as a reduction to OM&A cost. Considerable effort is made by NBHDL to ensure affiliates are  
5        charged properly and do not receive any benefits as a result of their affiliation. Considerable effort has also  
6        been made by NBHS to separate itself from NBHDL through the 2019 and 2020 period, including new  
7        branding colours, logo, and website. The company now markets itself as 'Services' and has removed  
8        'Hydro' references from all branding and marketing.

**Table 4 - 31: Reconciliation of Services to Affiliates**

Source/Account	Notes	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
<b>Appendix 2-N</b>		<b>3,898,681</b>	<b>4,162,595</b>	<b>3,862,809</b>	<b>3,711,985</b>	<b>3,771,200</b>	<b>4,291,716</b>	<b>4,007,293</b>
4375-Revenues from Non-Utility Operations	Administration Fee	71,975	66,727	49,445	48,513	57,561	66,088	67,344
4405-Interest and Dividend Income	Interest Revenue - NBHS Promissory Note	-	-	-	-	-	2,463	4,985
4405-Interest and Dividend Income	Interest Revenue - ERHDC Promissory Note / AR	-	-	-	-	-	10,355	37,331
<b>Sub Total Other Revenue</b>		<b>71,975</b>	<b>66,727</b>	<b>49,445</b>	<b>48,513</b>	<b>57,561</b>	<b>78,906</b>	<b>109,660</b>
5085-Miscellaneous Distribution Expenses	Purchases of materials and contractor services	66,712	45,065	29,468	19,887	22,499	19,360	19,732
5085-Miscellaneous Distribution Expenses	Vehicle Charges	14,162	19,652	5,014	7,775	14,882	4,992	4,748
5085-Miscellaneous Distribution Expenses	Operation Maintenance Services	64,180	69,143	28,411	35,864	52,547	15,746	16,066
5085-Miscellaneous Distribution Expenses	NBHS Payroll Services	34,548	28,683	-	-	-	-	-
5085-Miscellaneous Distribution Expenses	Occupancy Cost	1,292	3,115	4,069	12,151	7,634	18,454	19,766
5085-Miscellaneous Distribution Expenses	Insurance	19,336	20,837	500	-	6,140	-	-
		200,230	186,495	67,463	75,677	103,701	58,552	60,312
5315-Customer Billing	Rental Unit Billing	60,604	61,378	61,350	64,408	65,774	67,080	67,113
5615-General Administrative Salaries & Expenses	Human Resources	3,099	6,787	7,574	6,549	14,871	14,545	15,730
5665-Miscellaneous General Expenses	Executive Services	72,831	112,782	114,346	79,735	87,316	149,570	160,420
5665-Miscellaneous General Expenses	Financial and Administrative Services	74,446	71,662	69,944	79,180	96,455	132,383	138,726
		147,277	184,444	184,290	158,915	183,771	281,953	299,146
5675-Maintenance of General Plant	Information Technology Services	2,714	5,741	10,149	17,998	15,630	22,423	23,310
<b>Sub Total Reduction to OM&amp;A</b>		<b>413,924</b>	<b>444,846</b>	<b>330,825</b>	<b>323,547</b>	<b>383,747</b>	<b>444,554</b>	<b>465,612</b>
Recoverable Workorder - Revenue = Expense Net \$0	Street Light Maintenance	21,054	888	20,976	17,612	6,817	6,953	7,092
1955 - Contributed Capital	Construction Activity	42,550	94,119	9,601	47,650	65,100	26,973	24,718
1930 - Fleet	Vehicle Purchases	22,475	22,450	-	-	-	-	-
Total Billed - Various Revenue, Regulatory	Electricity Purchases	3,326,703	3,533,565	3,451,962	3,274,663	3,257,974	3,734,329	3,400,211
<b>Total</b>		<b>3,898,681</b>	<b>4,162,595</b>	<b>3,862,809</b>	<b>3,711,985</b>	<b>3,771,200</b>	<b>4,291,716</b>	<b>4,007,293</b>

Board Appendix 2-N for the 2015 through 2019 Historical Years, 2020 Bridge Year and the 2021 Test Year are provided below in Tables 4-32 to 4-38.

**Table 4 - 32: Board Appendix 2-N - 2015**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	72,831	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	74,446	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	64,180	
NBHD	NBHS	Vehicle Charges	Hourly rate by vehicle (subject to Admin Fees)	14,162	
NBHD	NBHS	NBHS Payroll Services	Cost (subject to Admin Fees)	34,548	
NBHD	NBHS	Insurance	Cost (subject to Admin Fees)	19,336	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	66,712	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	1,292	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	3,099	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	2,714	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	60,604	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchase and services	71,975	
NBHD	NBHS	Vehicles Transferred	Blue Book Value	22,475	
NBHD	CNB	Power Purchase	Market based	2,605,803	
NBHD	CNB	Street Light Energy	Market based	720,900	
NBHD	CNB	Construction Activity	Cost recovery formula	42,550	
NBHD	CNB	Street Light Installs	Cost basis	21,054	
CNB	NBHD	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHD	Property Taxes	Assessment at market price		76,986
CNB	NBHD	IT Services	Service agreement		99,241
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		81,888
CNB	NBHD	Water and Sewer	Market price		2,871
Sub Total				3,898,681	1,236,566

**Table 4 - 33: Board Appendix 2-N – 2016**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	112,782	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	71,662	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	69,143	
NBHD	NBHS	Vehicle Charges	Hourly rate by vehicle (subject to Admin Fees)	19,652	
NBHD	NBHS	NBHS Payroll Services	Cost (subject to Admin Fees)	28,683	
NBHD	NBHS	Insurance	Cost (subject to Admin Fees)	20,837	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	45,065	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	3,115	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	6,787	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	5,741	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	61,378	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchase and services	66,727	
NBHD	NBHS	Vehicles Transferred	Blue Book Value	22,450	
NBHD	CNB	Power Purchase	Market based	2,773,995	
NBHD	CNB	Street Light Energy	Market based	759,570	
NBHD	CNB	Construction Activity	Cost recovery formula	94,119	
NBHD	CNB	Street Light Installs	Cost basis	888	
CNB	NBHD	Loan Interest	5% on principle balance as per loan agreement		814,543
CNB	NBHD	Property Taxes	Assessment at market price		77,633
CNB	NBHD	IT Services	Service agreement		111,422
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		68,898
CNB	NBHD	Water and Sewer	Market price		3,012
NBHS	NBHD	Building Maintenance	Cost (subject to Admin Fees)		3,665
NBHS	NBHD	Communication / Administrative Services	Cost (subject to Admin Fees)		32,379
NBHS	NBHD	Capital Electrical work	Cost (subject to Admin Fees)		42,624
Sub Total				4,162,595	1,154,175

**Table 4 - 34: Board Appendix 2-N – 2017**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	114,346	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	69,944	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	28,411	
NBHD	NBHS	Vehicle Charges	Hourly rate by vehicle (subject to Admin Fees)	5,014	
NBHD	NBHS	Insurance	Cost (subject to Admin Fees)	500	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	28,278	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	4,069	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	7,574	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	10,149	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	61,350	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchase and services	49,445	
NBHD	NBHS	Purchases of materials and contractor services	Cost (not subject to Admin Fees)	1,190	
NBHD	CNB	Power Purchase	Market based	2,641,530	
NBHD	CNB	Street Light Energy	Market based	810,432	
NBHD	CNB	Construction Activity	Cost recovery formula	9,601	
NBHD	CNB	Street Light Installs	Cost basis	20,976	
CNB	NBHD	Property Taxes	Assessment at market price		78,305
CNB	NBHD	IT Services	Service agreement		102,521
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		74,383
CNB	NBHD	Water and Sewer	Market price		3,370
NBHS	NBHD	Communication / Administrative Services	Cost (subject to Admin Fees)		25,761
NBHS	NBHD	Capital Electrical Work	Cost (subject to Admin Fees)		120,306
Sub Total				3,862,809	404,645

**Table 4 - 35: Board Appendix 2-N – 2018**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	79,735	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	79,180	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	35,864	
NBHD	NBHS	Vehicle Charges	Hourly rate by vehicle (subject to Admin Fees)	7,775	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	19,759	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	12,151	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	6,549	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	17,998	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	64,408	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchase and services	48,513	
NBHD	NBHS	Purchases of materials and contractor services	Cost (not subject to Admin Fees)	128	
NBHD	CNB	Power Purchase	Market based	2,504,336	
NBHD	CNB	Street Light Energy	Market based	770,327	
NBHD	CNB	Construction Activity	Cost recovery formula	47,650	
NBHD	CNB	Street Light Installs	Cost basis	17,612	
CNB	NBHD	Property Taxes	Assessment at market price		80,529
CNB	NBHD	IT Services	Service agreement		104,459
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		87,594
CNB	NBHD	Water and Sewer	Market price		3,382
NBHS	NBHD	Building Maintenance	Cost (subject to Admin Fees)		15,360
NBHS	NBHD	Communication / Administrative Services	Cost (subject to Admin Fees)		41,242
NBHS	NBHD	Capital Electrical work	Cost (subject to Admin Fees)		50,527
Sub Total				3,711,985	383,092

**Table 4 - 36: Board Appendix 2-N – 2019**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	87,316	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	96,455	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	52,547	
NBHD	NBHS	Vehicle Charges	Hourly rate by vehicle (subject to Admin Fees)	14,882	
NBHD	NBHS	Insurance	Cost (subject to Admin Fees)	6,140	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	22,499	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	7,634	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	14,871	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	15,630	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	65,774	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchase and services	57,561	
NBHD	NBHS	Community Energy Park - Power Purchased	Market based	142,988	
NBHD	CNB	Power Purchase	Market based	2,342,384	
NBHD	CNB	Street Light Energy	Market based	772,603	
NBHD	CNB	Construction Activity	Cost recovery formula	65,100	
NBHD	CNB	Street Light Installs	Cost basis	6,817	
CNB	NBHD	Property Taxes	Assessment at market price		85,209
CNB	NBHD	IT Services	Service agreement		44,767
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		74,921
CNB	NBHD	Water and Sewer	Market price		2,428
NBHS	NBHD	Building Maintenance	Cost (subject to Admin Fees)		5,489
NBHS	NBHD	Communication / Administrative Services	Cost (subject to Admin Fees)		85,284
NBHS	NBHD	Capital Electrical work	Cost (subject to Admin Fees)		2,236
Sub Total				3,771,200	300,335

**Table 4 - 37: Board Appendix 2-N – 2020**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	149,570	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	132,383	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	15,746	
NBHD	NBHS	Vehicle Charges	hourly rate by vehicle (subject to Admin Fees)	4,992	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	19,360	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	18,454	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	14,545	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	22,423	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	67,080	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchase and services	66,088	
NBHD	NBHS	Community Energy Park - Power Purchased	Market based	325,558	
NBHD	NBHS	Promissory Note - Interest Charged	Prime rate	2,463	
NBHD	CNB	Power Purchase	Market based	2,625,082	
NBHD	CNB	Street Light Energy	Market based	783,690	
NBHD	CNB	Construction Activity	Legislated cost sharing formula	26,973	
NBHD	CNB	Street Light Installs	Cost basis	6,953	
NBHD	ERHDC	Promissory Note - Interest Charged	Prime rate	10,355	
CNB	NBHD	Property Taxes	Assessment at market price		92,977
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		77,187
CNB	NBHD	Water and Sewer	Market price		2,535
NBHS	NBHD	Building Maintenance	Cost (subject to Admin Fees)		7,574
NBHS	NBHD	Capital Electrical work	Cost (subject to Admin Fees)		3,938
Sub Total				4,291,716	184,212

**Table 4 - 38: Board Appendix 2-N – 2021**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
NBHD	NBHS	Executive Services	Cost (subject to Admin Fees)	160,420	
NBHD	NBHS	Financial and Administrative Services	Cost (subject to Admin Fees)	138,726	
NBHD	NBHS	Operation Maintenance Services	Cost (subject to Admin Fees)	16,066	
NBHD	NBHS	Vehicle Charges	Hourly rate by vehicle (subject to Admin Fees)	4,748	
NBHD	NBHS	Purchases of materials and contractor services	Cost (subject to Admin Fees)	19,732	
NBHD	NBHS	Occupancy Cost	Cost per square foot (subject to Admin Fees)	19,766	
NBHD	NBHS	Human Resources	Specific costs allocated by headcount (subject to Admin Fees)	15,730	
NBHD	NBHS	Information Technology Services	Specific costs allocated by system user (subject to Admin Fees)	23,310	
NBHD	NBHS	Rental Unit Billing / Postage	Cost per bill / Charge per letter (subject to Admin Fees)	67,113	
NBHD	NBHS	Management Fee (Administration Fee)	15% of purchases and services	67,344	
NBHD	NBHS	Community Energy Park - Power Purchased	Market based	236,636	
NBHD	NBHS	Promissory Note - Interest Charged	Prime rate	4,985	
NBHD	CNB	Power Purchase	Market based	2,677,584	
NBHD	CNB	Street Light Energy	Market based	485,992	
NBHD	CNB	Construction Activity	Cost recovery formula	24,718	
NBHD	CNB	Street Light Installs	Cost basis	7,092	
NBHD	ERHDC	Promissory Note - Interest Charged	Prime rate	28,574	
NBHD	ERHDC	Trade A/R - Interest Charged	Prime rate	8,757	
CNB	NBHD	Property Taxes	Assessment at market price		96,232
CNB	NBHD	Vehicle Fuel	Bulk price plus 5% markup		77,187
CNB	NBHD	Water and Sewer	Market price		2,535
NBHS	NBHD	Building Maintenance	Cost (subject to Admin Fees)		14,879
NBHS	NBHD	Capital Electrical work	Cost (subject to Admin Fees)		1,704
Sub Total				4,007,293	192,537

**2.4.3.4 PURCHASES OF NON-AFFILIATE SERVICES**

NBHDL's Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy establishes amounts, requirements and approvals necessary to maintain full and open competition between suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

This policy ensures that all procurement activities within NBHDL maintain high legal, ethical, managerial, and professional standards. NBHDL's purchasing policy does identify certain situations where a competitive bid process may not be followed. Exceptions to NBHDL's purchasing policy are subject to approval by NBHDL's Board. NBHDL confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements, NBHDL has provided a copy of its Purchasing Policy as Appendix 4-C.

The Table 4-39 below illustrates NBHDL's purchases by vendor for 2015-2019, where actual expenditures exceeded the \$75,000 materiality threshold calculated for this application. The table also identifies the method of selecting the vendor. NBHDL anticipates using the same vendors for 2020 and 2021; however, NBHDL continually searches for new suppliers and best pricing.



**Table 4 - 39: Products and Services of Non-Affiliates**

Vendor	Product/Service	Method of Selection	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual
ACRODEX INC - PCM CANADA	IT Supplies	Quotes / Sole Source	-	-	-	-	270,890
ANIXTER POWER SOLUTIONS	Stores Materials	Tender (NEDBC)	1,018,254	688,380	1,004,395	878,482	665,477
ARBOR WORKS TREE SERVICE	Vegetation Services	Tender	203,785	-	-	-	-
AULTMAN RENTAL	Civil Work	Tender	464,430	436,876	790,465	737,819	837,299
AVISON ELECTRICAL	Electrical Services	Quotes	-	-	-	-	89,237
BADGER DAYLIGHTING INC.	Civil Work	Sole Source	96,076	141,824	106,667	114,367	216,373
BERNARD ROCHEFORT LTD.	HVAC/Elec Work	Quotes	-	-	94,334	-	225,559
BLACK & McDONALD LIMITED	Line Contractor	Tender	-	-	-	712,087	117,799
BORDEN LADNER GERVAIS LLP	Legal/Regulatory	Sole Source	286,654	-	-	-	-
CAM TRAN CO. LTD.	Transformer Supplier	Tender (NEDBC)	-	-	-	126,564	464,735
CANADA POST	Postage	Sole Source	195,648	210,879	201,820	203,640	206,430
CANOR	Civil Work	Tender	-	-	368,565	335,967	-
COSTELLO ASSOCIATES	Consulting Asset Management	Sole Source	167,172	-	79,922	190,134	140,947
DAVEY TREE EXPERTS CO	Vegetation Services	Tender	123,247	208,152	-	-	-
DESCON CONSTRUCTION LTD	Civil Work	Tender	-	444,231	-	-	-
EAGLE TREE LTD	Vegetation Services	Tender	-	224,119	-	277,725	307,049
EPTCON LTD	Substation Construction	Tender	1,356,334	225,672	400,418	-	-
EXP SERVICES INC.	Contract Management Services	Tender	-	163,469	83,762	-	-
FREIGHTLINER NORTH BAY	Line Truck and Trailer Fleet Maintenance	Sole Source	-	-	189,120	-	89,683
G&W CANADA CORPORATION	Recloser Purchase	Sole Source	135,901	-	91,716	-	215,666
GUILLEVIN INTERNATIONAL INC.	Duct Work / Elec / PPE Supplies	Tender / Quotes	-	121,263	-	-	-
KPC POWER ELECTRICAL LTD	Substation Construction	Tender	-	-	522,113	-	-
KTI LIMITED	Smart Meters/Misc Agreement	Sole Source	82,016	97,512	-	-	-
MID-RANGE COMPUTER GROUP INC.	IT Services	Sole Source / Quotes	-	-	80,026	-	-
MOTION CANADA	Hydraulic Mntc / Fleet	Sole Source	90,622	-	81,346	-	-
NAVIGANT	Lead/Lag Study	Sole Source	96,166	-	-	-	-
NBM ENGINEERING INC	Substation Materials	Tender	-	-	-	-	124,263
NEDCO-DIV.OF REXEL CANADA ELECTRIC	Electrical Supplies	Tender (NEDBC)	129,582	96,069	-	92,107	83,077
NORDMIN ENGINEERING	Engineering Services	Tender / Sole Source	125,717	-	76,193	136,595	-
NORTHERN LIFT TRUCK LTD.	Forklift Mntc	Sole Source	-	-	-	76,463	-
ONTARIO LINE CLEARING & TREE	Vegetation Services	Tender	-	-	342,669	208,435	80,513
PIONEER CONSTRUCTION INC.	Paving Contractor	Tender / Quotes	96,222	338,865	-	-	-
POSI-PLUS TECHNOLOGIES INC.	Line Truck and Trailer Fleet Maintenance	Sole Source	400,852	-	-	-	-
RS TECHNOLOGIES INC	Composite Pole Supply	Sole Source	-	-	-	133,688	120,432
S&C ELECTRIC CANADA LTD.	Substation Switchgear	Sole Source	396,862	99,384	274,767	286,370	-
SARTOR & ASSOCIATES	Recruitment	Sole Source	-	-	92,175	-	-
SAVAGE DATA SYSTEMS	IT services ODS, Settlement	Tender	103,514	111,497	104,899	104,939	106,161
SENSUS	Billing / Metering	Sole Source	225,274	249,726	235,486	251,424	240,257
SUPERION LLC	IT Services	Sole Source	125,588	91,778	181,369	169,106	163,985
STELLA-JONES INC	Wood Pole Supplier	Tender (NEDBC)	-	85,470	-	-	-
TRUE NORTH CHEV-OLDS-GEO LTD.	Small Truck Supply	Tender	-	253,956	-	-	89,040
UTS CONSULTANTS INC.	Poleline Engineering for 3rd Party Requests	Sole Source	179,518	-	-	118,286	145,714
VALARD CONSTRUCTION	Line Work Contractor	Tender	-	-	-	-	205,017
VIRGINIA TRANSFORMER CANADA INC	Power Transformer Purchases	Tender	-	408,567	253,177	122,989	135,600
WAJAX EQUIPMENT	Line Truck Supply / Repairs	Tender	-	-	329,874	-	367,966
WEINMANN LTD	Oil Sampling Sub Sns	Tender	-	666,438	81,573	-	-
17 TREES INC	Vegetation Services	Sole Source	-	-	-	-	129,074

The following methods of procurement are used to acquire goods and services throughout the year to best suit the needs of the Company.

**Tender** – Qualified vendors are sent a formal document and are asked to bid with a predetermined closing date. Low acceptable bid is awarded the contract, unless unique circumstances dictate otherwise, as approved by the CEO.

**RFP** – Request for Proposals are sent to vendors and business is awarded to the vendor that best suits the needs of NBHDL and its customers. The award is based on a scoring-based system specific to the Scope outlined in the bid, not necessarily lowest price.

**Soul Source** – In situations where only one supplier for the required commodity or service is available, established Engineering/specification preference, specialized consultant expertise, business continuity of existing services, or preference to local vendor.

**Special Consultants / Quotes** - Quotes provided for costs of services or goods are requested and reviewed prior to award.

#### **2.4.3.5 ONE-TIME COSTS**

NBHDL has included one-time costs of \$158,710 in its 2021 Test Year revenue requirement. These costs are the estimated incremental costs associated with the COS application of \$793,550, details are described below in the “Regulatory Costs” section. The costs included in 2021 are based on a five-year recovery until the next COS application.

#### **2.4.3.6 REGULATORY COSTS**

NBHDL’s Regulatory Manager is primarily responsible for preparing regulatory filings and rate applications, completing audits, ensuring regulatory and legislative compliance and providing input to the various regulatory agencies. Due to the complexity and work load involved in completing the above tasks other members of the Management team are required on an on-going basis to ensure regulatory and legislative compliance and also to provide assistance in preparing rate applications. As the regulatory ‘department’ consists of one employee, NBHDL has included an estimate of the total staff costs related to the on-going costs section of Table 4-40 below.

NBHDL’s other regulatory expenses include annual assessment fees paid to the OEB, cost awards for hearings, proceedings and other matters before the regulatory body and costs associated with consultants providing regulatory compliance assistance. The 2021 Test Year includes an estimate of the full cost of OEB assessments.

NBHDL will incur significant costs for preparing, processing and approval of this Application. The costs include consulting and legal fees, incremental expenses related to staff resources, and intervenor cost awards as identified in Table 4-40, Board Appendix 2-M. NBHDL’s consulting services identified in Table 4-40 include legal expenses since NBHDL is billed on a total basis by the firm for both services. The total cost for this application is forecasted to be \$793,550. NBHDL has forecasted \$626,800 for consultants; \$110,000 for services related to the DSP plan, \$430,000 for industry experienced legal and consulting services to prepare and submit the application, \$71,300 for customer engagement and consultation and \$15,000 for the LRAMVA results and report. OEB and Intervenor expenses have been forecasted at

\$85,000. The remaining \$82,250 is related to incremental costs for overtime, training and travel expenses related to the application for NBHDL employees. NBHDL requests approval of these costs to be recovered over a five-year period. NBHDL has included \$158,710 in the 2021 Test Year.

**Table 4 - 40 :Regulatory Costs**

Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? <sup>2</sup>	Last Rebasings Year (2015 Board Approved)	Last Rebasings Year (2015 Actual)	Most Current Actuals Year 2019	2020 Bridge Year	Annual % Change	2021 Test Year	Annual % Change
(A)	(B)	(C)	(D)	(E)	(F)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1 OEB Annual Assessment	5655		On-Going	\$ 72,332	\$ 74,577	\$ 71,538	\$ 73,931	3.35%	\$ 107,855	45.89%
2 OEB Section 30 Costs (Applicant-originated)			On-Going							
3 OEB Section 30 Costs (OEB-initiated)	5655		On-Going	\$ 3,054	\$ 2,079	\$ 3,821	\$ 3,056		\$ 3,114	1.90%
4 Legal costs for Regulatory matters	5655									
5 Operating expenses associated with staff resources allocated to regulatory matters	5655/5610		On-Going	\$ 119,104	\$ 147,056	\$ 160,698	\$ 163,209	1.56%	\$ 169,121	3.62%
6 Consultants' costs for regulatory matters	5655		On-Going	\$ 15,780	\$ -	\$ -	\$ -		\$ -	
7 Intervenor costs	5655		On-Going							
8 Sub Total - On-Going				\$ 210,270	\$ 223,712	\$ 236,056	\$ 240,196	1.75%	\$ 280,090	16.61%
9 Consultants' costs for regulatory matters	5655		One-Time	\$ 459,215	\$ 722,331	\$ 72,764	\$ 423,536	482.07%	\$ 130,000	-69.31%
10 Operating expenses associated with staff resources allocated to regulatory matters	5655		One-Time	\$ 111,273	\$ 92,027	\$ 4,476	\$ 77,774	1637.54%	\$ -	-100.00%
11 Operating expenses associated with other resources allocated to regulatory matters	5655		One-Time	\$ 23,443	\$ 22,045				\$ -	
12 Any other costs for regulatory matters (please define)	5655								\$ -	
13 OEB Review COS	5655		One-Time						\$ 20,000	
14 Intervenor costs	5655		One-Time	\$ 63,000	\$ 84,494				\$ 65,000	
15 Total One - Time				\$ 656,931	\$ 920,898	\$ 77,240	\$ 501,310	549.03%	\$ 215,000	-57.11%
16 2015 Cost of Service - Expensed over 5 years				\$ 131,386	\$ 190,531	\$ 190,531	\$ 63,510	-66.67%	\$ -	-100.00%
17 2021 Cost of Service - Expensed over 5 years									\$ 158,710	
18 Sub Total - One Time				\$ 131,386	\$ 190,531	\$ 190,531	\$ 63,510	-66.67%	\$ 158,710	149.90%
19 Total (8+18)				\$ 341,656	\$ 414,243	\$ 426,587	\$ 303,706	-28.81%	\$ 438,800	44.48%
2021 COS Application Costs	Historical Year(s)	2020 Bridge Year	2021 Test Year	Total COS	Amortized over 5 years					
1 Expert Witness costs	-	-	-	-	-					
2 Legal costs	-	-	-	-	-					
3 Consultants' costs including Legal	72,764	423,536	130,000	626,300	125,260					
4 Incremental operating expenses associated with staff resources allocated to this application	4,476	77,774	-	82,250	16,450					
5 Incremental operating expenses associated with other resources allocated to this application-Temporary Employees	-	-	-	-	-					
6 OEB/Intervenor costs	-	-	85,000	85,000	17,000					
Total	77,240	501,310	215,000	793,550	158,710					

#### 2.4.3.7 LOW-INCOME ENERGY ASSISTANCE PROGRAMS (LEAP)

NBHDL continues to participate in the Low Income Emergency Assistance Program (LEAP). As set out in the March, 2009 *Report of the Board: Low Income Energy Assistance Program*, the Board has determined that the greater of 0.12% of a distributor's Board approved distribution revenue requirement or \$2,000 is a reasonable commitment of all distributors to emergency financial assistance.

NBHDL will continue to provide low-income customers with emergency financial assistance. NBHDL has included \$18,823 in the 2021 Test Year, which represents 0.12% of the 2015 Test Year service revenue requirement of \$15,685,587. NBHDL understands that this amount will be adjusted based on the final service revenue requirement. For purposes of this rate application, this amount has been included in account 6205, to ensure that it is captured appropriately in the revenue requirement model and separate from other charitable donations that are not eligible to be included in the distribution revenue requirement.

**2.4.3.8 CHARITABLE DONATIONS AND POLITICAL DONATIONS**

Contributions NBHDL makes in the community and for various charities, apart from the LEAP program summarized above, are excluded from the revenue requirement calculation for the purpose of setting rates. NBHDL does not make political donations and therefore confirms that no political donations are included for recovery.

**2.4.4 DEPRECIATION, AMORTIZATION AND DEPLETION**

**2.4.4.1 OVERVIEW**

NBHDL's depreciation/amortization policy is based on Modified International Financial Reporting Standards (MIFRS), reflects useful life ranges and components as can be found in the Kinectrics report, and is aligned with guidelines set out by the Ontario Energy Board, where applicable.

In its previous application (EB-2014-0099) NBHDL completed the transition from the previously used CGAAP approach to the current MIFRS. This change was made effective January 1, 2015 and is reflected in all historical depreciation for the years 2015 through 2019, the 2020 Bridge Year and the 2021 Test Year in this application. In 2012, NBHDL implemented the change to depreciation rates and the componentization of PP&E. Useful lives were aligned with the Kinectrics report and an assessment was made of remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis. NBHDL confirms that significant parts or components of each item of PP&E are being depreciated separately.

NBHDL's capital assets related to the distribution system and capital contributions are amortized on a straight-line basis, applying the "half-year" rule in the year of addition, over the deemed life of the assets. This is in accordance with Section 2.7.4 of Chapter 2 of the Filing Requirements for Electricity Distribution Rate Applications. Construction in progress assets are not amortized until the project is complete. NBHDL does not capitalize any interest to the cost of assets constructed. NBHDL began applying the "half-year" rule to all capital additions in 2008 and has followed this practice since. For the purposes of calculating depreciation for this Application the "half-year" rule has been applied for all in-service 2020 Bridge Year and 2021 Test Year capital additions for distribution system assets and capital contributions.

From 2008 through 2011, General capital assets including buildings, fleet and IT were also depreciated based on the "half-year" rule. In 2012, NBHDL transitioned to the use of an automated fixed asset sub-ledger which calculates depreciation on General assets on an individual asset basis beginning in the first month after the asset is put into service. For example, a truck purchased and received in February would

1 have depreciation calculated from March 1 forward until the asset was fully depreciated. For the purposes  
2 of calculating 2020 Bridge Year and 2021 Test Year depreciation for general capital asset additions, NBHDL  
3 has utilized the “half-year” rule. While NBHDL’s general asset sub-ledger is able to determine a more  
4 accurate depreciation expense based on actual in-service dates, NBHDL submits that for the purposes of  
5 forecasting depreciation for the 2021 Test year the “half-year” rule is appropriate and consistent with the  
6 Board’s general policy for rate setting.

7 A summary of NBHDL’s depreciation by year is provided in Table 4-41. Tables 4-42 through 4-48 provide  
8 a summary by year for 2015 through 2019 historical actuals, the 2020 Bridge Year, and the 2021 Test Year  
9 of NBHDL’s depreciation expense including asset amounts and rates of depreciation or amortization. These  
10 tables tie back to the accumulated depreciation balances in the Fixed Asset Continuity Schedules provided  
11 in Exhibit 2 - Rate Base, that are consistent with Board Appendix 2-BA.

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**Table 4 - 41– Summary of Depreciation / Amortization by Year**

Description	USoA #	2015 OEB Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Computer Software	1611	91,961	102,965	86,776	67,371	48,628	36,554	30,531	47,524
Buildings and Fixtures	1808	34,784	34,598	35,235	35,235	17,013	17,923	17,923	17,923
Distribution Station Equipment - (below 50 kV)	1820	338,710	345,080	381,625	394,259	485,912	514,822	558,933	602,575
Poles, Towers and Fixtures	1830	367,173	367,145	378,557	402,173	421,903	445,813	485,810	494,552
Overhead Conductors and Devices	1835	232,640	234,828	197,336	209,488	220,461	236,897	250,251	260,192
Underground Conduit	1840	25,319	23,584	26,412	33,920	41,246	48,432	56,511	66,275
Underground Conductors and Devices	1845	104,887	102,260	102,783	111,939	119,384	127,214	133,281	140,246
Line Transformers	1850	267,363	264,023	265,810	282,717	294,736	315,905	336,228	350,883
Services	1855	427,479	421,757	444,576	472,617	496,461	517,138	543,802	562,944
Meters	1860	102,988	40,810	48,430	46,901	45,724	44,857	43,679	42,818
Meters (Smart Meters)	1860	272,224	279,906	299,956	312,829	330,385	344,820	355,877	369,771
Buildings and Fixtures	1908	82,097	81,394	89,057	105,795	109,312	109,776	120,184	131,903
Office Furniture and Equipment	1915	11,124	10,878	10,308	22,760	10,191	9,534	10,061	10,530
Computer Equipment - Hardware	1920	78,017	72,735	63,122	51,769	60,634	77,730	119,161	149,986
Transportation Equipment	1930	258,674	261,460	314,812	262,156	267,239	249,001	269,718	249,145
Stores Equipment	1935	-	-	-	-	1,122	2,692	6,730	6,730
Tools, Shop and Garage Equipment	1940	45,282	43,725	38,245	38,414	36,396	36,498	39,613	39,594
Power Operated Equipment	1950	-	-	-	-	-	-	5,533	11,065
Communication Equipment	1955	9,191	9,934	10,381	11,045	11,629	10,404	9,296	9,296
Miscellaneous Equipment	1960	2,510	1,765	834	552	423	293	293	293
System Supervisory Equipment	1980	56,273	51,458	31,102	26,750	46,280	64,127	66,104	73,811
Other Tangible Property	1990	1,630	1,630	1,630	1,630	1,630	1,629	1,630	1,630
Contributions and Grants	1995	(214,846)	(214,846)	(212,507)	(212,507)	(212,507)	(230,216)	(230,216)	(212,507)
Deferred Revenue	2440	(28,991)	(43,035)	(48,694)	(71,270)	(80,614)	(93,372)	(104,244)	(116,593)
<b>Total Depreciation Amount</b>		<b>2,566,491</b>	<b>2,494,051</b>	<b>2,565,785</b>	<b>2,606,542</b>	<b>2,773,585</b>	<b>2,888,471</b>	<b>3,126,688</b>	<b>3,310,585</b>
Deferred Revenue		-	43,035	48,694	71,270	80,614	93,372	104,244	116,593
<i>included in depreciation in 2015 COS, incorporated as revenue offset 2015-2021</i>									
Fully Allocated Depreciation - Transportation		(155,871)	(152,941)	(179,402)	(158,961)	(158,098)	(142,035)	(158,027)	(148,259)
<b>Total Depreciation Adjustments</b>		<b>(155,871)</b>	<b>(109,906)</b>	<b>(130,708)</b>	<b>(87,691)</b>	<b>(77,484)</b>	<b>(48,663)</b>	<b>(53,783)</b>	<b>(31,666)</b>
<b>Total Depreciation per Continuity Schedules</b>		<b>2,410,620</b>	<b>2,384,145</b>	<b>2,435,077</b>	<b>2,518,851</b>	<b>2,696,101</b>	<b>2,839,808</b>	<b>3,072,905</b>	<b>3,278,919</b>
Depreciation Expense adj. from gain or loss on the retirement <i>Shown for illustrative purposes for 2015-2019</i>		78,456	74,375	68,277	184,023	29,352	198,631	47,391	69,191
<b>Total Depreciation, Rate Setting Purposes</b>		<b>2,489,076</b>	<b>2,458,520</b>	<b>2,503,354</b>	<b>2,702,874</b>	<b>2,725,452</b>	<b>3,038,439</b>	<b>3,120,296</b>	<b>3,348,110</b>

**Table 4 - 42– 2015 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount &  
Rate of Depreciation - MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,505,980	1,327,217	102,965	6.84%
Land	1805	497,376	-	-	
Buildings and Fixtures	1808	1,830,506	426,048	34,598	1.89%
Distribution Station Equipment - Normally Primary below 50 kV	1820	16,194,049	5,076,132	345,080	2.13%
Poles, Towers and Fixtures	1830	23,830,074	11,594,008	367,145	1.54%
Overhead Conductors and Devices	1835	17,707,354	8,984,717	234,828	1.33%
Underground Conduit	1840	1,242,378	210,091	23,584	1.90%
Underground Conductors and Devices	1845	7,442,256	4,778,762	102,260	1.37%
Line Transformers	1850	17,467,474	9,811,730	264,023	1.51%
Services	1855	19,182,145	7,755,936	421,757	2.20%
Meters	1860	1,557,487	956,900	40,810	2.62%
Meters (Smart Meters)	1860	4,121,327	1,406,740	279,906	6.79%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,121,503	1,509,877	81,394	2.61%
Office Furniture and Equipment	1915	380,037	331,466	10,878	2.86%
Computer Equipment - Hardware	1920	973,940	807,250	72,735	7.47%
Transportation Equipment	1930	2,912,998	1,951,018	261,460	8.98%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,360,895	1,158,216	43,725	3.21%
Communication Equipment	1955	177,245	121,716	9,934	5.60%
Miscellaneous Equipment	1960	21,010	17,853	1,765	8.40%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,461,830	1,217,223	51,458	3.52%
Other Tangible Property	1990	53,060	28,153	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(2,383,374)	(214,846)	2.31%
Deferred Revenue	2440	(2,118,610)	(56,671)	(43,035)	2.03%
<b>Total, Excluding WIP</b>		<b>112,354,334</b>	<b>57,675,286</b>	<b>2,494,051</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				74,375	
Deferred Revenue				43,035	
Fully Allocated Depreciation - Transportation				(152,941)	
<b>Total Depreciation Adjustments</b>				<b>(35,531)</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>2,458,520</b>	

**Table 4 - 43– 2016 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount &  
Rate of Depreciation – MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,560,281	1,413,993	86,776	5.56%
Land	1805	505,305	-	-	
Buildings and Fixtures	1808	1,838,335	461,283	35,235	1.92%
Distribution Station Equipment - Normally Primary below 50 kV	1820	16,457,782	5,279,131	381,625	2.32%
Poles, Towers and Fixtures	1830	24,865,846	11,958,952	378,557	1.52%
Overhead Conductors and Devices	1835	18,299,825	9,177,107	197,336	1.08%
Underground Conduit	1840	1,432,914	236,272	26,412	1.84%
Underground Conductors and Devices	1845	7,584,561	4,871,303	102,783	1.36%
Line Transformers	1850	17,974,424	10,022,303	265,810	1.48%
Services	1855	20,542,023	8,200,512	444,576	2.16%
Meters	1860	1,557,487	1,005,330	48,430	3.11%
Meters (Smart Meters)	1860	4,383,984	1,706,696	299,956	6.84%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,576,216	1,598,934	89,057	2.49%
Office Furniture and Equipment	1915	380,037	341,774	10,308	2.71%
Computer Equipment - Hardware	1920	994,586	870,372	63,122	6.35%
Transportation Equipment	1930	2,988,306	2,057,431	314,812	10.53%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,383,231	1,196,461	38,245	2.76%
Communication Equipment	1955	191,859	132,097	10,381	5.41%
Miscellaneous Equipment	1960	21,010	18,687	834	3.97%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,480,826	1,248,325	31,102	2.10%
Other Tangible Property	1990	53,060	29,783	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(2,595,881)	(212,507)	2.29%
Deferred Revenue	2440	(2,470,932)	(105,365)	(48,694)	1.97%
<b>Total, Excluding WIP</b>		<b>117,032,986</b>	<b>59,769,777</b>	<b>2,565,785</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				68,277	
Deferred Revenue				48,694	
Fully Allocated Depreciation - Transportation				(179,402)	
<b>Total Depreciation Adjustments</b>				<b>(62,431)</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>2,503,354</b>	



**Table 4 - 44– 2017 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount &  
Rate of Depreciation – MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,584,554	1,488,764	67,371	4.25%
Land	1805	505,305	-	-	
Buildings and Fixtures	1808	1,838,335	496,518	35,235	1.92%
Distribution Station Equipment - Normally Primary below 50 kV	1820	17,079,289	5,445,510	394,259	2.31%
Poles, Towers and Fixtures	1830	25,646,472	12,126,279	402,173	1.57%
Overhead Conductors and Devices	1835	18,632,393	9,307,309	209,488	1.12%
Underground Conduit	1840	2,007,253	269,038	33,920	1.69%
Underground Conductors and Devices	1845	8,014,513	4,971,572	111,939	1.40%
Line Transformers	1850	18,617,683	10,179,914	282,717	1.52%
Services	1855	21,652,715	8,673,128	472,617	2.18%
Meters	1860	1,557,487	1,052,231	46,901	3.01%
Meters (Smart Meters)	1860	4,576,100	2,019,525	312,829	6.84%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,594,692	1,704,729	105,795	2.94%
Office Furniture and Equipment	1915	379,067	334,435	22,760	6.00%
Computer Equipment - Hardware	1920	1,093,067	914,741	51,769	4.74%
Transportation Equipment	1930	3,116,759	2,039,312	262,156	8.41%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,406,636	1,234,876	38,414	2.73%
Communication Equipment	1955	196,865	143,142	11,045	5.61%
Miscellaneous Equipment	1960	21,010	19,238	552	2.63%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,516,144	1,275,075	26,750	1.76%
Other Tangible Property	1990	53,060	31,413	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(2,808,388)	(212,507)	2.29%
Deferred Revenue	2440	(3,198,969)	(176,635)	(71,270)	2.23%
<b>Total, Excluding WIP</b>		<b>121,322,450</b>	<b>61,386,003</b>	<b>2,606,542</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				184,023	
Deferred Revenue				71,270	
Fully Allocated Depreciation - Transportation				(158,961)	
<b>Total Depreciation Adjustments</b>				<b>96,332</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>2,702,874</b>	

**Table 4 - 45 – 2018 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount &  
Rate of Depreciation – MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,617,366	1,537,391	48,628	3.01%
Land	1805	505,305	-	-	
Buildings and Fixtures	1808	966,190	384,428	17,013	1.76%
Distribution Station Equipment - Normally Primary below 50 kV	1820	20,343,713	6,060,528	485,912	2.39%
Poles, Towers and Fixtures	1830	26,572,355	12,461,467	421,903	1.59%
Overhead Conductors and Devices	1835	19,494,130	9,500,247	220,461	1.13%
Underground Conduit	1840	2,211,983	308,817	41,246	1.86%
Underground Conductors and Devices	1845	8,280,606	5,080,558	119,384	1.44%
Line Transformers	1850	19,090,795	10,343,823	294,736	1.54%
Services	1855	22,386,012	9,169,589	496,461	2.22%
Meters	1860	1,557,487	1,097,955	45,724	2.94%
Meters (Smart Meters)	1860	4,699,622	2,349,910	330,385	7.03%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,607,970	1,814,041	109,312	3.03%
Office Furniture and Equipment	1915	386,365	344,626	10,191	2.64%
Computer Equipment - Hardware	1920	1,166,165	975,375	60,634	5.20%
Transportation Equipment	1930	3,137,342	2,252,785	267,239	8.52%
Stores Equipment	1935	142,493	76,318	1,122	0.79%
Tools, Shop and Garage Equipment	1940	1,432,078	1,271,271	36,396	2.54%
Communication Equipment	1955	201,054	154,771	11,629	5.78%
Miscellaneous Equipment	1960	21,010	19,661	423	2.01%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,891,494	1,321,355	46,280	2.45%
Other Tangible Property	1990	53,060	33,042	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(3,020,895)	(212,507)	2.29%
Deferred Revenue	2440	(3,757,586)	(257,249)	(80,614)	2.15%
<b>Total, Excluding WIP</b>		<b>127,363,834</b>	<b>63,848,895</b>	<b>2,773,585</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				29,352	
Deferred Revenue				80,614	
Fully Allocated Depreciation - Transportation				(158,098)	
<b>Total Depreciation Adjustments</b>				<b>(48,132)</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>2,725,452</b>	

**Table 4 - 46 – 2019 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount &  
Rate of Depreciation – MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,662,300	1,567,599	36,554	2.20%
Land	1805	505,305	-	-	
Buildings and Fixtures	1808	966,190	402,351	17,923	1.86%
Distribution Station Equipment - Normally Primary below 50 kV	1820	21,226,264	6,493,390	514,822	2.43%
Poles, Towers and Fixtures	1830	27,652,711	12,794,735	445,813	1.61%
Overhead Conductors and Devices	1835	20,443,104	9,623,326	236,897	1.16%
Underground Conduit	1840	2,728,943	357,249	48,432	1.77%
Underground Conductors and Devices	1845	8,609,085	5,185,475	127,214	1.48%
Line Transformers	1850	19,823,104	10,592,474	315,905	1.59%
Services	1855	23,431,606	9,686,727	517,138	2.21%
Meters	1860	1,557,487	1,142,811	44,857	2.88%
Meters (Smart Meters)	1860	4,813,197	2,694,730	344,820	7.16%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,648,165	1,923,816	109,776	3.01%
Office Furniture and Equipment	1915	393,914	354,160	9,534	2.42%
Computer Equipment - Hardware	1920	1,390,644	1,053,105	77,730	5.59%
Transportation Equipment	1930	3,485,797	2,418,722	249,001	7.14%
Stores Equipment	1935	142,493	79,010	2,692	1.89%
Tools, Shop and Garage Equipment	1940	1,473,156	1,307,769	36,498	2.48%
Communication Equipment	1955	204,627	165,175	10,404	5.08%
Miscellaneous Equipment	1960	21,010	19,954	293	1.39%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,944,674	1,385,483	64,127	3.30%
Other Tangible Property	1990	53,060	34,671	1,629	3.07%
Contributions and Grants	1995	(9,298,809)	(3,251,111)	(230,216)	2.48%
Deferred Revenue	2440	(4,240,628)	(350,621)	(93,372)	2.20%
<b>Total, Excluding WIP</b>		<b>133,293,031</b>	<b>66,250,082</b>	<b>2,888,471</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				198,631	
Deferred Revenue				93,372	
Fully Allocated Depreciation - Transportation				(142,035)	
<b>Total Depreciation Adjustments</b>				<b>149,968</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>3,038,439</b>	

**Table 4 - 47– 2020 Bridge Year – Asset Amount, Accumulated Amortization, Depreciation Amount  
& Rate of Depreciation – MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,663,550	1,598,131	30,531	1.84%
Land	1805	505,305	-	-	
Buildings and Fixtures	1808	966,190	420,274	17,923	1.86%
Distribution Station Equipment - Normally Primary below 50 kV	1820	21,699,851	7,052,323	558,933	2.58%
Poles, Towers and Fixtures	1830	29,138,458	13,096,886	485,810	1.67%
Overhead Conductors and Devices	1835	21,004,054	9,808,693	250,251	1.19%
Underground Conduit	1840	3,224,828	412,500	56,511	1.75%
Underground Conductors and Devices	1845	8,961,687	5,305,722	133,281	1.49%
Line Transformers	1850	20,245,880	10,839,001	336,228	1.66%
Services	1855	24,129,699	10,230,529	543,802	2.25%
Meters	1860	1,557,487	1,186,490	43,679	2.80%
Meters (Smart Meters)	1860	4,955,935	3,050,608	355,877	7.18%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,943,674	2,044,001	120,184	3.05%
Office Furniture and Equipment	1915	425,369	364,221	10,061	2.37%
Computer Equipment - Hardware	1920	1,738,864	1,172,266	119,161	6.85%
Transportation Equipment	1930	3,575,193	2,688,440	269,718	7.54%
Stores Equipment	1935	142,493	85,740	6,730	4.72%
Tools, Shop and Garage Equipment	1940	1,531,770	1,347,382	39,613	2.59%
Power Operated Equipment	1950	110,650	5,533	5,533	5.00%
Communication Equipment	1955	204,627	174,471	9,296	4.54%
Miscellaneous Equipment	1960	21,010	20,247	293	1.39%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	2,025,350	1,451,587	66,104	3.26%
Other Tangible Property	1990	53,060	36,301	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(3,481,327)	(230,216)	2.48%
Deferred Revenue	2440	(4,800,939)	(454,865)	(104,244)	2.17%
<b>Total, Excluding WIP</b>		<b>138,380,870</b>	<b>69,024,233</b>	<b>3,126,688</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				47,391	
Deferred Revenue				104,244	
Fully Allocated Depreciation - Transportation				(158,027)	
<b>Total Depreciation Adjustments</b>				<b>(6,392)</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>3,120,296</b>	

**Table 4 - 48– 2021 Test Year – Asset Amount, Accumulated Amortization, Depreciation Amount &  
Rate of Depreciation – MIFRS**

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
<b>Reporting Basis</b>		<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	
Computer Software	1611	1,896,700	1,645,655	47,524	2.51%
Land	1805	505,305	-	-	
Buildings and Fixtures	1808	966,190	438,197	17,923	1.86%
Distribution Station Equipment - Normally Primary below 50 kV	1820	22,174,333	7,654,898	602,575	2.72%
Poles, Towers and Fixtures	1830	30,981,164	13,438,186	494,552	1.60%
Overhead Conductors and Devices	1835	21,468,762	9,999,209	260,192	1.21%
Underground Conduit	1840	3,700,529	478,162	66,275	1.79%
Underground Conductors and Devices	1845	9,135,060	5,430,737	140,246	1.54%
Line Transformers	1850	20,800,503	11,098,703	350,883	1.69%
Services	1855	25,070,268	10,793,473	562,944	2.25%
Meters	1860	1,557,487	1,229,308	42,818	2.75%
Meters (Smart Meters)	1860	5,095,402	3,420,378	369,771	7.26%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	4,234,087	2,175,904	131,903	3.12%
Office Furniture and Equipment	1915	427,369	374,751	10,530	2.46%
Computer Equipment - Hardware	1920	1,748,664	1,322,252	149,986	8.58%
Transportation Equipment	1930	3,682,655	2,721,105	249,145	6.77%
Stores Equipment	1935	142,493	92,469	6,730	4.72%
Tools, Shop and Garage Equipment	1940	1,571,770	1,386,976	39,594	2.52%
Power Operated Equipment	1950	110,650	16,598	11,065	10.00%
Communication Equipment	1955	204,627	183,767	9,296	4.54%
Miscellaneous Equipment	1960	21,010	20,540	293	1.39%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	2,123,867	1,525,398	73,811	3.48%
Other Tangible Property	1990	53,060	37,931	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(3,693,834)	(212,507)	2.29%
Deferred Revenue	2440	(5,352,083)	(571,458)	(116,593)	2.18%
<b>Total, Excluding WIP</b>		<b>143,676,696</b>	<b>71,788,385</b>	<b>3,310,585</b>	
Depreciation Expense adj. from gain or loss on the retirement of assets				69,192	
Deferred Revenue				116,593	
Fully Allocated Depreciation - Transportation				(148,259)	
<b>Total Depreciation Adjustments</b>				<b>37,526</b>	
<b>Total Depreciation, Rate Setting Purposes</b>				<b>3,348,111</b>	

**2.4.4.2 ASSET AND RETIREMENT OBLIGATIONS**

At this time, NBHDL does not have any Asset Retirement Obligations ("AROs"), associated depreciation or accretion expenses in relation to the AROs to report as part of this Application.

**2.4.4.3 DEPRECIATION PRACTICES - USEFUL LIVES AND COMPONENTIZATION**

The following outlines the depreciation practices used by NBHDL in this Application and provides a summary of changes since the last cost of service Application.

In its 2015 Cost of Service application NBHDL completed the transition to MIFRS. This involved retaining the services of BDO's Risk Advisory Services group to assist with determining the level of property, plant and equipment (PP&E) componentization required under IFRS and establishing updated useful lives based on the Kinectrics report. The overall result was an updated useful life of depreciable assets pre-2012 and, as per board requirements, a transition to MIFRS going forward. Further details of the specifics of the transition can be found in EB-2014-0099.

With the exception of the building, NBHDL confirms that the useful lives for its asset groups fall within the range allowed in the Board sponsored Kinectrics study and that significant parts or components of each item of PP&E are being depreciated separately. Tables 4-49 and 4-50 below, consistent with Board Appendix 2-BB, provides a summary of the life comparison between NBHDL's selected useful lives and those provided in Table F-1 of the Kinectrics Report. NBHDL's building is a garage and warehouse that has had several renovations throughout the years; the building currently serves as the garage for NBHDL's fleet with offices built in the old warehouse area. The bulk of additional costs incurred related to the building over the last decade are renovations that NBHDL deemed as appropriate to maintain at a 25-year service life.

Under CGAAP, NBHDL recorded customer contributions as an offset to the cost of capital assets and amortized accordingly. Under MIFRS, NBHDL cannot capitalize these customer contributions as part of its net capital assets, but instead classifies the contributions as a deferred revenue liability and amortizes the costs to revenue over the life of the asset the contribution relates to. For financial reporting purposes, NBHDL classified the forecasted the 2020 Bridge Year and 2021 Test Year customer contributions as deferred revenue and amortized the contribution to revenue over the life of the related asset. For rate setting purposes, these costs are included as an offset to rate base to ensure the correct determination of average net book value of Property, Plant, and Equipment, however, the related amortized revenue is included as a revenue offset for the purposes of setting rates and not reflected in depreciation expense.

- 1 NBHDL confirms that no further depreciation expense policy changes or changes in asset service lives
- 2 have been made since the last COS application.

**Table 4 - 49– Service Life Comparison**

Appendix 2-BB															
Service Life Comparison															
Table F-1 from Kinetrics Report <sup>1</sup>															
Parent*	#	Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
		Category  Component   Type			MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall	Wood	35	45	75	1820	Fully Dressed Wood Poles	45	2%	45	2%	No	No
			Cross Arm	Steel	20	40	55								
		Fully Dressed Concrete Poles	Overall	Wood	30	70	95								
			Cross Arm	Steel	50	60	80								
	2	Fully Dressed Steel Poles	Overall	Wood	20	40	55								
			Cross Arm	Steel	30	70	95								
	3	OH Line Switch	Overall	Wood	60	60	80								
			Cross Arm	Steel	20	40	55								
	4	OH Line Switch			30	45	55	1835	OH Conductor & Devices	45	2%	45	2%	No	No
	5	OH Line Switch Motor			15	25	25	1835	OH Conductor & Devices	25	4%	25	4%	No	No
	6	OH Line Switch RTU			15	20	20	1980	System Supervisory Equipment	20	5%	20	5%	No	No
TS & MS	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	75	1835	OH Conductor & Devices	60	2%	60	2%	No	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	OH Transformers	40	3%	40	3%	No	No
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			25	40	55	1835	OH Conductor & Devices	25	4%	25	4%	No	No
	12	Power Transformers	Overall		30	45	60	1820	Distribution Station Equipment <50 kV	45	2%	45	2%	No	No
			Bushing		10	20	30								
			Tap Changer		20	30	60								
	13	Station Service Transformer			30	45	55								
	14	Station Grounding Transformer			30	40	40								
	15	Station DC System	Overall		10	20	30								
			Battery Bank		10	15	15								
			Charger		20	20	30								
	16	Station Metal Clad Switchgear	Overall		30	40	60	1820	Distribution Station Equipment <50 kV	40	3%	40	3%	No	No
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
	18	Station Switch			30	50	60								
	19	Electromechanical Relays			25	35	50								
	20	Solid State Relays			10	30	45	1820	Distribution Station Equipment <50 kV	20	5%	20	5%	No	No
	21	Digital & Numeric Relays			15	20	20								
UG	22	Rigid Busbars			30	55	60	1820	Distribution Station Equipment <50 kV	40	3%	40	3%	No	No
	23	Steel Structure			35	50	90	1820	Distribution Station Equipment <50 kV	40	3%	40	3%	No	No
	24	Primary Paper Insulated Lead Covered (PILC) Cables			60	65	75								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			20	25	30								
	27	Primary Non-TR XLPE Cables in Duct			20	25	30								
	29	Primary TR XLPE Cables in Duct			35	40	55	1845	UG Conductor & Devices	40	3%	40	3%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40								
	32	Secondary Cables in Duct			35	40	60	1855	Services	40	3%	40	3%	No	No
	33	Network Transformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	UG Transformers	40	3%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45								
	36	UG Foundation			35	55	70								
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
S	38	UG Vault Switches			20	35	50								
	39	Pad-Mounted Switchgear			20	30	45								
	40	Ducts			30	50	85								
	41	Concrete Encased Duct Banks			35	55	80	1840	UG Conduit	50	2%	50	2%	No	No
	42	Cable Chambers			50	60	80								
	43	Remote SCADA			15	20	30	1980	System Supervisory Equipment	20	5%	20	5%	No	No



**Table 4 - 50– Service Life Comparison Con't**

Table F-2 from Kinetrics Report <sup>1</sup>												
	Asset Details		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
#							Category  Component   Type	Years	Rate	Years	Rate	Below Min Range
1	Office Equipment		5	15	1915	Office Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment - >3 ton	8	13%	8	13%	No	No
		Trucks & Buckets	5	15	1930	Transportation Equipment - <3 ton	5	20%	5	20%	No	No
		Trailers	5	20	1930	Transportation Equipment - Trailers	8	13%	8	13%	No	No
		Vans	5	10	1930	Transportation Equipment - <3 ton	8	13%	8	13%	No	No
3	Administrative Buildings		50	75	1980	Buildings & Fixtures	25	4%	25	4%	Yes	No
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1808	Station Buildings	50	2%	50	2%	No	No
		Parking	25	30								
		Fence	25	60								
		Roof	20	30								
6	Computer Equipment	Hardware	3	5	1920	Computer Hardware	5	20%	5	20%	No	No
		Software	2	5	1925	Computer Software	5	20%	5	20%	No	No
7	Equipment	Power Operated	5	10								
		Stores	5	10	1935	Stores Equipment	10	10%	10	10%	No	No
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop, Garage Equipment	10	10%	10	10%	No	No
		Measurement & Testing Equipment	5	10								
8	Communication	Towers	60	70								
		Wireless	2	10								
9	Residential Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30								
12	Current & Potential Transformer (CT & PT)		35	50								
13	Smart Meters		5	15	1860	Meters	10	10%	10	10%	No	No
14	Repeaters - Smart Metering		10	15								
15	Data Collectors - Smart Metering		15	20								

#### 2.4.4.4 DEPRECIATION EXPENSE

In accordance with the filing requirements, NBDHL has completed depreciation and amortization expense tables (Table 4-51 to Table 4-57) in accordance with Board Appendix 2-C. Appendix 2-C ties back to the reported depreciation expense in 2-BA for the 2015 through 2019 historical actuals, the 2020 Bridge Year, and the 2021 Test Year. NBHDL submits that the proposed levels of depreciation/amortization appropriately reflect the useful lives of NBHDL's assets, the OEB's accounting policies, and is reasonable. Variances calculated in Appendix 2-C for each of the years below are immaterial.

Table 4 - 51- Depreciation & Amortization Expense - 2015 – MIFRS

2015		Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, Column J		Variance <sup>6</sup>
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated <sup>8</sup>	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>3</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated <sup>4</sup>	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>5</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>8</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance <sup>6</sup>		
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o		
1611	Computer Software (Formerly known as Account 1925)	\$ 158,896	\$ 146,098	\$ 12,798	\$ 381,167		\$ 381,167	\$ 26,418	1.00	100.00%	5.00	20.00%	\$ 12,798	\$ 76,233	\$ 2,642	\$ 91,674	\$ 102,995	\$ 11,291		
1612	Land Rights (Formerly known as Account 1906)			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1805	Land	\$ 446,493		\$ 446,493	\$ 72		\$ 72	\$ 50,811		0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1808	Buildings	\$ 1,418,749	\$ 96,535	\$ 1,322,214	\$ 88,591		\$ 88,591		41.09	2.43%	50.00	2.00%	\$ 32,178	\$ 1,772	\$ -	\$ 33,950	\$ 34,598	\$ 648		
1810	Leasehold Improvements			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1815	Transformer Station Equipment >50 kV			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 780,351	\$ 5,951,458	\$ 2,788,293		\$ 2,788,293	\$ 2,533,625	22.88	4.37%	40.00	2.50%	\$ 260,117	\$ 69,707	\$ 31,670	\$ 361,495	\$ 345,080	\$ 16,415		
1825	Storage Battery Equipment			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1830	Poles, Towers & Fittings	\$ 8,016,523	\$ 778,518	\$ 7,238,005	\$ 4,128,921		\$ 4,128,921	\$ 1,143,597	27.89	3.59%	45.00	2.22%	\$ 259,506	\$ 91,754	\$ 12,707	\$ 363,966	\$ 367,145	\$ 3,179		
1835	Overhead Conductors & Devices	\$ 6,486,254	\$ 571,039	\$ 5,915,215	\$ 2,227,995		\$ 2,227,995	\$ 802,077	31.08	3.22%	60.00	1.67%	\$ 190,346	\$ 37,133	\$ 6,884	\$ 234,164	\$ 234,828	\$ 665		
1840	Underground Conduit	\$ 631,714	\$ 42,998	\$ 588,717	\$ 448,602		\$ 448,602	\$ 27,336	41.08	2.43%	50.00	2.00%	\$ 14,333	\$ 8,972	\$ 273	\$ 23,578	\$ 23,584	\$ 6		
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 254,776	\$ 2,072,163	\$ 659,215		\$ 659,215	\$ 51,130	24.40	4.10%	40.00	2.50%	\$ 84,925	\$ 16,480	\$ 639	\$ 102,045	\$ 102,260	\$ 215		
1850	Line Transformers OH and UG	\$ 6,397,142	\$ 632,476	\$ 5,764,665	\$ 1,636,687		\$ 1,636,687	\$ 539,716	27.34	3.66%	40.00	2.50%	\$ 210,825	\$ 40,917	\$ 6,746	\$ 258,489	\$ 264,023	\$ 5,534		
1855	Services (OH)	\$ 3,293,888	\$ 349,162	\$ 2,944,726	\$ 525,928		\$ 525,928	\$ 205,197	25.30	3.95%	60.00	1.67%	\$ 116,387	\$ 8,765	\$ 1,710	\$ 126,863	\$ 126,862	\$ 0		
1855	Services (UG)	\$ 7,484,766	\$ 785,820	\$ 6,698,946	\$ 1,107,280		\$ 1,107,280	\$ 421,765	25.57	3.91%	40.00	2.50%	\$ 261,940	\$ 27,682	\$ 5,272	\$ 294,894	\$ 294,894	\$ 0		
1860	Meters	\$ 641,397		\$ 641,397			\$ -		15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 40,810	\$ 0		
1860	Meters (Smart Meters)	\$ 2,740,197		\$ 2,740,197			\$ -	\$ 254,295	10.30	9.71%	10.00	10.00%	\$ 266,150	\$ -	\$ 12,715	\$ 278,865	\$ 279,906	\$ 1,041		
1905	Land	\$ 86,551		\$ 86,551	\$ -		\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1908	Buildings & Fittings	\$ 996,035	\$ 213,930	\$ 782,105	\$ 768,905		\$ 768,905	\$ 170,170	10.97	9.12%	25.00	4.00%	\$ 71,310	\$ 30,758	\$ 3,493	\$ 105,469	\$ 81,394	\$ 24,076		
1910	Leasehold Improvements			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 24,943	\$ 25,869	\$ 40,069		\$ 40,069	\$ 751	3.11	32.14%	10.00	10.00%	\$ 8,314	\$ 4,867	\$ 38	\$ 12,359	\$ 10,878	\$ 1,481		
1915	Office Furniture & Equipment (5 years)			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equipment - Hardware			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 22/04)			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 115,044	\$ 45,628	\$ 204,796		\$ 204,796	\$ 29,127	1.19	84.05%	5.00	20.00%	\$ 38,348	\$ 40,959	\$ 2,913	\$ 82,220	\$ 72,735	\$ 9,485		
1930	Transportation Equipment >3	\$ 592,813	\$ 275,260	\$ 317,553	\$ 201,460		\$ 201,460	\$ 480,279	1.73	57.92%	8.00	12.50%	\$ 183,935	\$ 25,183	\$ 30,017	\$ 239,135	\$ 235,869	\$ 3,266		
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 74,532		\$ 74,532	\$ 110,386	-	0.00%	5.00	20.00%	\$ -	\$ 14,906	\$ 11,039	\$ 25,945	\$ 25,591	\$ 354		
1935	Stores Equipment			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 107,588	\$ 107,048	\$ 136,155		\$ 136,155	\$ 18,787	2.98	33.50%	10.00	10.00%	\$ 35,863	\$ 13,615	\$ 939	\$ 50,418	\$ 43,725	\$ 6,692		
1945	Measurement & Testing Equipment			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1950	Power Operated Equipment			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1955	Communications Equipment	\$ 19,683	\$ 12,931	\$ 6,752	\$ 72,494		\$ 72,494	\$ 2,881	1.57	63.84%	10.00	10.00%	\$ 4,311	\$ 7,249	\$ 144	\$ 11,704	\$ 9,934	\$ 1,771		
1955	Communication Equipment (Smart Meters)			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930		\$ 2,930	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 1,765	\$ 1,472		
1970	Load Management Controls Customer Premises			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1975	Load Management Controls Utility Premises			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1980	System Supervisor Equipment	\$ 283,106	\$ 155,776	\$ 127,330	\$ 138,693		\$ 138,693	\$ 28,272	2.45	40.78%	20.00	5.00%	\$ 51,925	\$ 6,935	\$ 707	\$ 59,567	\$ 51,458	\$ 8,109		
1985	Miscellaneous Fixed Assets			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1990	Other Tangible Property	\$ 31,426	\$ 4,889	\$ 26,537	\$ -		\$ -	\$ -	16.28	6.14%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,630	\$ 0		
1995	Contributions & Grants	\$ 5,981,924	\$ 517,003	\$ 5,464,920	\$ 1,737,867		\$ 1,737,867	\$ -	31.71	3.15%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 214,846	\$ 3,892		
2440	Deferred Revenue			\$ -	\$ 1,415,412		\$ 1,415,412	\$ 703,198		0.00%	46.00	2.17%	\$ -	\$ 30,770	\$ 7,643	\$ 38,413	\$ 43,035	\$ 4,622		
2005	Property Under Finance Lease			\$ -			\$ -			0.00%		0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Total	\$ 43,393,539	\$ 4,996,892	\$ 38,397,447	\$ 12,479,504	\$ -	\$ 12,479,504	\$ 6,193,422					\$ 1,973,618	\$ 453,931	\$ 122,615	\$ 2,550,164	\$ 2,494,051	\$ 56,113		

**Table 4 - 52- Depreciation & Amortization Expense - 2016 – MIFRS**

2016		Book Values							Service Lives				Depreciation Expense					
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>8</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>3</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>5</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column j	Variance <sup>6</sup>
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1611	Computer Software (Formally known as Account 1925)	\$ 158,896	\$ 158,896	\$ -	\$ 407,584		\$ 407,584	\$ 54,301	-	0.00%	5.00	20.00%	\$ -	\$ 81,517	\$ 5,430	\$ 86,947	\$ 86,776	\$ 171
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1805	Land	\$ 446,493	\$ -	\$ 446,493	\$ 50,883		\$ 50,883	\$ 7,929	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1808	Buildings	\$ 1,418,749	\$ 128,713	\$ 1,290,035	\$ 88,591		\$ 88,591	\$ 7,829	40.09	2.49%	50.00	2.00%	\$ 32,178	\$ 1,772	\$ 78	\$ 34,028	\$ 35,235	\$ 1,207
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 1,040,468	\$ 5,691,341	\$ 5,321,918		\$ 5,321,918	\$ 491,617	21.88	4.57%	40.00	2.50%	\$ 260,117	\$ 133,048	\$ 6,145	\$ 399,310	\$ 381,625	\$ 17,685
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 8,016,523	\$ 1,038,024	\$ 6,978,499	\$ 5,272,518	\$ 363,805	\$ 4,908,713	\$ 1,052,727	26.89	3.72%	45.00	2.22%	\$ 259,506	\$ 109,083	\$ 11,697	\$ 380,285	\$ 378,557	\$ 1,728
1835	Overhead Conductors & Devices	\$ 4,812,400	\$ 761,385	\$ 4,051,015	\$ 3,030,072		\$ 3,030,072	\$ 597,960	30.08	3.32%	60.00	1.67%	\$ 134,692	\$ 50,501	\$ 4,983	\$ 190,177	\$ 197,336	\$ 7,159
1840	Underground Conduit	\$ 631,714	\$ 57,330	\$ 574,384	\$ 475,938		\$ 475,938	\$ 191,283	40.08	2.50%	50.00	2.00%	\$ 14,333	\$ 9,519	\$ 1,913	\$ 25,764	\$ 26,412	\$ 648
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 339,702	\$ 1,987,238	\$ 710,345		\$ 710,345	\$ 155,327	23.40	4.27%	40.00	2.50%	\$ 84,925	\$ 17,759	\$ 1,942	\$ 104,626	\$ 102,783	\$ 1,843
1850	Line Transformers	\$ 6,397,142	\$ 843,302	\$ 5,553,840	\$ 2,176,403		\$ 2,176,403	\$ 574,025	26.34	3.80%	40.00	2.50%	\$ 210,825	\$ 54,410	\$ 7,175	\$ 272,411	\$ 265,810	\$ 6,601
1855	Services (OH)	\$ 3,293,888	\$ 465,549	\$ 2,828,339	\$ 731,125		\$ 731,125	\$ 100,256	24.30	4.12%	60.00	1.67%	\$ 116,387	\$ 12,185	\$ 835	\$ 129,408	\$ 129,081	\$ 327
1855	Services (UG)	\$ 7,484,766	\$ 1,047,760	\$ 6,437,006	\$ 1,529,045		\$ 1,529,045	\$ 1,259,622	24.57	4.07%	40.00	2.50%	\$ 261,940	\$ 38,226	\$ 15,745	\$ 315,912	\$ 315,495	\$ 416
1860	Meters	\$ 641,397	\$ -	\$ 641,397	\$ -		\$ -	\$ -	15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 48,430	\$ 7,619
1860	Meters (Smart Meters)	\$ 2,709,763	\$ -	\$ 2,709,763	\$ 254,295		\$ 254,295	\$ 262,657	10.30	9.71%	10.00	10.00%	\$ 263,194	\$ 25,430	\$ 13,133	\$ 301,756	\$ 299,956	\$ 1,800
1905	Land	\$ 86,551	\$ -	\$ 86,551	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1908	Buildings & Fixtures	\$ 996,035	\$ 285,240	\$ 710,795	\$ 939,074		\$ 939,074	\$ 454,713	9.97	10.03%	25.00	4.00%	\$ 71,310	\$ 37,563	\$ 9,094	\$ 117,967	\$ 89,057	\$ 28,910
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 33,258	\$ 17,555	\$ 40,820		\$ 40,820	\$ -	2.11	47.36%	10.00	10.00%	\$ 8,314	\$ 4,082	\$ -	\$ 12,396	\$ 10,308	\$ 2,088
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 153,392	\$ 7,280	\$ 233,923		\$ 233,923	\$ 20,646	1.00	100.00%	5.00	20.00%	\$ 7,280	\$ 46,785	\$ 2,065	\$ 56,129	\$ 63,122	\$ 6,993
1930	Transportation Equipment >3	\$ 592,813	\$ 459,195	\$ 133,618	\$ 681,740		\$ 681,740	\$ -	1.00	100.00%	8.00	12.50%	\$ 133,618	\$ 85,217	\$ -	\$ 218,835	\$ 242,415	\$ 23,580
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 184,918		\$ 184,918	\$ 283,707	-	-	5.00	20.00%	\$ -	\$ 36,984	\$ 28,371	\$ 65,354	\$ 72,397	\$ 7,042
1935	Stores Equipment	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 143,451	\$ 71,185	\$ 154,942		\$ 154,942	\$ 22,336	1.98	50.38%	10.00	10.00%	\$ 35,863	\$ 15,494	\$ 1,117	\$ 52,474	\$ 38,245	\$ 14,229
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 19,683	\$ 17,242	\$ 2,441	\$ 75,375		\$ 75,375	\$ 14,614	1.00	100.00%	10.00	10.00%	\$ 2,441	\$ 7,537	\$ 731	\$ 10,709	\$ 10,381	\$ 328
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	10.00	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930		\$ 2,930	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 834	\$ 541
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ 283,106	\$ 207,701	\$ 75,405	\$ 166,964		\$ 166,964	\$ 18,996	3.74	26.74%	20.00	5.00%	\$ 20,162	\$ 8,348	\$ 475	\$ 28,985	\$ 31,102	\$ 2,117
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ 31,426	\$ 6,518	\$ 24,908	\$ -		\$ -	\$ -	15.28	6.54%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,630	\$ 0
1995	Contributions & Grants	\$ 5,981,924	\$ 689,338	\$ 5,292,586	\$ 1,737,867		\$ 1,737,867	\$ -	30.71	3.26%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 212,507	\$ 1,553
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	46.00	2.17%	\$ -	\$ 46,057	\$ 3,830	\$ 49,886	\$ 48,694	\$ 1,192
2005	Property Under Finance Lease	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ 41,689,251	\$ 6,662,750	\$ 35,026,501	\$ 18,672,926	\$ 363,805	\$ 18,309,121	\$ 5,218,223					\$ 1,787,191	\$ 691,076	\$ 107,099	\$ 2,585,367	\$ 2,565,785	\$ 19,581

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**Table 4 - 53- Depreciation & Amortization Expense - 2017 – MIFRS**

2017		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>4</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>3</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>5</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance <sup>6</sup>	
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 158,896	\$ 158,896	\$ -	\$ 461,885	\$ 62,569	\$ 399,316	\$ 24,273	-	0.00%	5.00	20.00%	\$ -	\$ 79,863	\$ 2,427	\$ 82,291	\$ 67,371	\$ 14,920	
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 446,493	\$ -	\$ 446,493	\$ 58,812	\$ -	\$ 58,812	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings	\$ 1,418,749	\$ 160,892	\$ 1,257,857	\$ 96,420	\$ -	\$ 96,420	\$ -	39.09	2.56%	50.00	2.00%	\$ 32,178	\$ 1,928	\$ -	\$ 34,107	\$ 35,235	\$ 1,128	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 1,300,585	\$ 5,431,224	\$ 5,813,535	\$ -	\$ 5,813,535	\$ 976,174	20.88	4.79%	40.00	2.50%	\$ 260,117	\$ 145,338	\$ 12,202	\$ 417,658	\$ 394,259	\$ 23,399	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures	\$ 8,016,523	\$ 1,297,530	\$ 6,718,993	\$ 6,325,245	\$ 380,760	\$ 5,944,485	\$ 1,050,168	25.89	3.86%	45.00	2.22%	\$ 259,506	\$ 132,100	\$ 11,669	\$ 403,274	\$ 402,173	\$ 1,101	
1835	Overhead Conductors & Devices	\$ 4,812,400	\$ 896,078	\$ 3,916,323	\$ 3,628,032	\$ -	\$ 3,628,032	\$ 428,092	29.08	3.44%	60.00	1.67%	\$ 134,692	\$ 60,467	\$ 3,567	\$ 198,727	\$ 209,488	\$ 10,761	
1840	Underground Conduit	\$ 631,714	\$ 71,663	\$ 560,051	\$ 667,221	\$ -	\$ 667,221	\$ 577,360	39.08	2.56%	50.00	2.00%	\$ 14,333	\$ 13,344	\$ 5,774	\$ 33,451	\$ 33,920	\$ 469	
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 424,627	\$ 1,902,312	\$ 865,672	\$ -	\$ 865,672	\$ 442,812	22.40	4.46%	40.00	2.50%	\$ 84,925	\$ 21,642	\$ 5,535	\$ 112,102	\$ 111,939	\$ 163	
1850	Line Transformers	\$ 6,397,142	\$ 1,054,127	\$ 5,343,014	\$ 2,750,428	\$ -	\$ 2,750,428	\$ 771,612	25.34	3.95%	40.00	2.50%	\$ 210,825	\$ 68,761	\$ 9,645	\$ 289,231	\$ 282,717	\$ 6,514	
1855	Services (OH)	\$ 3,293,888	\$ 581,936	\$ 2,711,952	\$ 831,381	\$ -	\$ 831,381	\$ 95,053	23.30	4.29%	60.00	1.67%	\$ 116,387	\$ 13,856	\$ 792	\$ 131,036	\$ 130,224	\$ 812	
1855	Services (UG)	\$ 7,484,766	\$ 1,309,701	\$ 6,175,066	\$ 2,788,667	\$ -	\$ 2,788,667	\$ 1,015,639	23.57	4.24%	40.00	2.50%	\$ 261,940	\$ 69,717	\$ 12,695	\$ 344,352	\$ 342,393	\$ 1,959	
1860	Meters	\$ 641,397	\$ -	\$ 641,397	\$ -	\$ -	\$ -	\$ -	15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 46,901	\$ 6,091	
1860	Meters (Smart Meters)	\$ 2,709,763	\$ -	\$ 2,709,763	\$ 516,952	\$ -	\$ 516,952	\$ 192,116	10.30	9.71%	10.00	10.00%	\$ 263,194	\$ 51,695	\$ 9,606	\$ 324,495	\$ 312,829	\$ 11,666	
1905	Land	\$ 86,551	\$ -	\$ 86,551	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ 996,035	\$ 356,549	\$ 639,485	\$ 1,393,787	\$ -	\$ 1,393,787	\$ 18,476	8.97	11.15%	25.00	4.00%	\$ 71,310	\$ 55,751	\$ 370	\$ 127,431	\$ 105,795	\$ 21,636	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 41,572	\$ 9,240	\$ 40,820	\$ -	\$ 40,820	\$ 29,130	1.11	89.98%	10.00	10.00%	\$ 8,314	\$ 4,082	\$ 1,457	\$ 13,853	\$ 22,760	\$ 8,907	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 160,672	\$ -	\$ 254,569	\$ -	\$ 254,569	\$ 98,480	-	0.00%	5.00	20.00%	\$ -	\$ 50,914	\$ 9,848	\$ 60,762	\$ 51,769	\$ 8,993	
1930	Transportation Equipment >3	\$ 592,813	\$ 592,813	\$ -	\$ 681,740	\$ -	\$ 681,740	\$ 402,611	-	0.00%	8.00	12.50%	\$ -	\$ 85,217	\$ 25,163	\$ 110,381	\$ 141,351	\$ 30,970	
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 468,625	\$ -	\$ 468,625	\$ 6,116	-	0.00%	5.00	20.00%	\$ -	\$ 93,725	\$ 612	\$ 94,337	\$ 120,805	\$ 26,468	
1935	Stores Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 179,314	\$ 35,322	\$ 177,278	\$ -	\$ 177,278	\$ 23,405	1.00	100.00%	10.00	10.00%	\$ 35,322	\$ 17,728	\$ 1,170	\$ 54,220	\$ 38,414	\$ 15,806	
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1955	Communications Equipment	\$ 19,683	\$ 19,683	\$ -	\$ 89,989	\$ -	\$ 89,989	\$ 5,006	-	0.00%	10.00	10.00%	\$ -	\$ 8,999	\$ 250	\$ 9,249	\$ 11,045	\$ 1,796	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930	\$ -	\$ 2,930	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 552	\$ 259	
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1980	System Supervisor Equipment	\$ 283,106	\$ 227,863	\$ 55,243	\$ 185,960	\$ -	\$ 185,960	\$ 35,317	3.45	28.99%	20.00	5.00%	\$ 16,012	\$ 9,298	\$ 883	\$ 26,193	\$ 26,750	\$ 557	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1990	Other Tangible Property	\$ 31,426	\$ 8,148	\$ 23,278	\$ -	\$ -	\$ -	\$ -	14.28	7.00%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,630	\$ 0	
1995	Contributions & Grants	\$ 5,981,924	\$ 861,672	\$ 5,120,252	\$ 1,737,867	\$ -	\$ 1,737,867	\$ -	29.71	3.37%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 212,507	\$ 1,553	
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ 2,470,932	\$ -	\$ 2,470,932	\$ 728,037	-	-	46.00	-	\$ -	\$ 53,716	\$ 7,913	\$ 61,629	\$ 71,270	\$ 9,641	
2005	Property Under Finance Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Total	\$ 41,689,251	\$ 8,145,937	\$ 33,543,314	\$ 23,891,149	\$ 443,329	\$ 23,447,820	\$ 5,463,803					\$ 1,639,163	\$ 892,384	\$ 105,752	\$ 2,637,299	\$ 2,606,542	\$ 30,756	

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**Table 4 - 54- Depreciation & Amortization Expense - 2018 – MIFRS**

2018		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>8</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>3</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>5</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance <sup>6</sup>	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 158,896	\$ 158,896	\$ -	\$ 486,159	\$ 172,155	\$ 314,004	\$ 32,812	-	0.00%	5.00	20.00%	\$ -	\$ 62,801	\$ 3,281	\$ 66,082	\$ 48,628	\$ 17,454	
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 446,493	\$ -	\$ 446,493	\$ 58,812	\$ -	\$ 58,812	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings	\$ 1,418,749	\$ 193,070	\$ 1,225,679	\$ 96,420	\$ -	\$ 96,420	\$ 872,145	38.09	2.63%	50.00	2.00%	\$ 32,178	\$ 1,928	\$ 8,721	\$ 25,385	\$ 17,013	\$ 8,372	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 1,560,702	\$ 5,171,107	\$ 6,789,709	\$ -	\$ 6,789,709	\$ 3,264,424	19.88	5.03%	40.00	2.50%	\$ 260,117	\$ 169,743	\$ 40,805	\$ 470,665	\$ 485,912	\$ 15,247	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures	\$ 8,016,523	\$ 1,557,036	\$ 6,459,487	\$ 7,375,413	\$ 650,301	\$ 6,725,112	\$ 1,025,156	24.89	4.02%	45.00	2.22%	\$ 259,506	\$ 149,447	\$ 11,391	\$ 420,344	\$ 421,903	\$ 1,559	
1835	Overhead Conductors & Devices	\$ 4,812,400	\$ 1,030,770	\$ 3,781,630	\$ 4,056,125	\$ -	\$ 4,056,125	\$ 893,705	28.08	3.56%	60.00	1.67%	\$ 134,692	\$ 67,602	\$ 7,448	\$ 209,742	\$ 220,461	\$ 10,719	
1840	Underground Conduit	\$ 631,714	\$ 85,995	\$ 545,719	\$ 1,244,580	\$ -	\$ 1,244,580	\$ 208,073	38.08	2.63%	50.00	2.00%	\$ 14,333	\$ 24,892	\$ 2,081	\$ 41,305	\$ 41,246	\$ 58	
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 509,552	\$ 1,817,387	\$ 1,308,483	\$ -	\$ 1,308,483	\$ 276,710	21.40	4.67%	40.00	2.50%	\$ 84,925	\$ 32,712	\$ 3,459	\$ 121,096	\$ 119,384	\$ 1,713	
1850	Line Transformers	\$ 6,397,142	\$ 1,264,953	\$ 5,132,189	\$ 3,522,039	\$ -	\$ 3,522,039	\$ 614,191	24.34	4.11%	40.00	2.50%	\$ 210,825	\$ 88,051	\$ 7,677	\$ 306,554	\$ 294,736	\$ 11,818	
1855	Services (OH)	\$ 3,293,888	\$ 698,323	\$ 2,595,565	\$ 926,434	\$ -	\$ 926,434	\$ 213,700	22.30	4.48%	60.00	1.67%	\$ 116,387	\$ 15,441	\$ 1,781	\$ 133,609	\$ 133,718	\$ 110	
1855	Services (UG)	\$ 7,484,766	\$ 1,571,641	\$ 5,913,126	\$ 3,804,306	\$ -	\$ 3,804,306	\$ 519,597	22.57	4.43%	40.00	2.50%	\$ 261,940	\$ 95,108	\$ 6,495	\$ 363,543	\$ 362,742	\$ 800	
1860	Meters	\$ 641,397	\$ -	\$ 641,397	\$ -	\$ -	\$ -	\$ -	15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 45,724	\$ 4,914	
1860	Meters (Smart Meters)	\$ 2,709,763	\$ -	\$ 2,709,763	\$ 709,068	\$ -	\$ 709,068	\$ 123,522	10.30	9.71%	10.00	10.00%	\$ 263,194	\$ 70,907	\$ 6,176	\$ 340,277	\$ 330,385	\$ 9,891	
1905	Land	\$ 86,551	\$ -	\$ 86,551	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ 996,035	\$ 427,859	\$ 568,175	\$ 1,412,263	\$ -	\$ 1,412,263	\$ 13,278	7.97	12.55%	25.00	4.00%	\$ 71,310	\$ 56,491	\$ 266	\$ 128,066	\$ 109,312	\$ 18,754	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 49,887	\$ 926	\$ 69,950	\$ -	\$ 69,950	\$ 7,298	1.00	100.00%	10.00	10.00%	\$ 926	\$ 6,995	\$ 365	\$ 8,286	\$ 10,191	\$ 1,906	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 160,672	\$ -	\$ 353,050	\$ 68,005	\$ 285,045	\$ 73,098	-	0.00%	5.00	20.00%	\$ -	\$ 57,009	\$ 7,310	\$ 64,319	\$ 60,634	\$ 3,685	
1930	Transportation Equipment >3	\$ 592,813	\$ 592,813	\$ -	\$ 1,084,351	\$ -	\$ 1,084,351	\$ 0	-	0.00%	8.00	12.50%	\$ -	\$ 135,544	\$ 0	\$ 135,544	\$ 152,242	\$ 16,698	
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 474,741	\$ -	\$ 474,741	\$ 74,349	-	0.00%	5.00	-	\$ -	\$ 94,948	\$ 7,435	\$ 102,383	\$ 114,996	\$ 12,613	
1935	Stores Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,298	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 1,122	\$ 1,122	
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 214,636	\$ -	\$ 200,682	\$ -	\$ 200,682	\$ 25,442	-	0.00%	10.00	10.00%	\$ -	\$ 20,068	\$ 1,272	\$ 21,340	\$ 36,396	\$ 15,055	
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1955	Communications Equipment	\$ 19,683	\$ 19,683	\$ -	\$ 94,995	\$ -	\$ 94,995	\$ 4,189	-	0.00%	10.00	10.00%	\$ -	\$ 9,499	\$ 209	\$ 9,709	\$ 11,629	\$ 1,920	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930	\$ -	\$ 2,930	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 423	\$ 130	
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1980	System Supervisor Equipment	\$ 283,106	\$ 243,875	\$ 39,231	\$ 221,278	\$ -	\$ 221,278	\$ 375,350	2.46	40.65%	13.72	7.29%	\$ 15,947	\$ 16,128	\$ 13,679	\$ 45,754	\$ 46,280	\$ 526	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1990	Other Tangible Property	\$ 31,426	\$ 9,777	\$ 21,649	\$ -	\$ -	\$ -	\$ -	13.28	7.53%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,630	\$ 0	
1995	Contributions & Grants	\$ 5,981,924	\$ 1,034,007	\$ 4,947,917	\$ 1,737,867	\$ -	\$ 1,737,867	\$ -	28.71	3.48%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 212,507	\$ 1,553	
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ 3,198,969	\$ -	\$ 3,198,969	\$ 558,617	-	0.00%	46.00	2.17%	\$ -	\$ 69,543	\$ 6,072	\$ 75,615	\$ 80,614	\$ 4,999	
2005	Property Under Finance Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 41,689,251	\$ 9,481,096	\$ 32,208,155	\$ 29,354,952	\$ 890,461	\$ 28,464,492	\$ 6,381,431					\$ 1,596,387	\$ 1,067,444	\$ 106,336	\$ 2,770,167	\$ 2,773,585	\$ 3,418	



**Table 4 - 55- Depreciation & Amortization Expense - 2019 – MIFRS**

2019		Book Values							Service Lives				Depreciation Expense					Variance <sup>6</sup>
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>8</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>3</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>5</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	
		a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = l/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1611	Computer Software (Formally known as Account 1925)	\$ 158,896	\$ 158,896	\$ -	\$ 518,971	\$ 300,149	\$ 218,822	\$ 51,279	-	0.00%	5.00	20.00%	\$ -	\$ 43,764	\$ 5,128	\$ 48,892	\$ 36,554	\$ 12,338
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1805	Land	\$ 446,493	\$ -	\$ 446,493	\$ 58,812	\$ -	\$ 58,812	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1808	Buildings	\$ 1,418,749	\$ 225,248	\$ 1,193,500	\$ 775,725	\$ -	\$ 775,725	\$ -	37.09	2.70%	50.00	2.00%	\$ 32,178	\$ 15,515	\$ -	\$ 16,664	\$ 17,923	\$ 1,259
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 1,820,819	\$ 4,910,990	\$ 10,054,133	\$ -	\$ 10,054,133	\$ 992,551	18.88	5.30%	40.00	2.50%	\$ 260,117	\$ 251,353	\$ 12,407	\$ 523,877	\$ 514,822	\$ 9,055
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 8,016,523	\$ 1,816,542	\$ 6,199,981	\$ 8,400,569	\$ 749,575	\$ 7,650,994	\$ 1,286,786	23.89	4.19%	45.00	2.22%	\$ 259,506	\$ 170,022	\$ 14,298	\$ 443,826	\$ 445,813	\$ 1,987
1835	Overhead Conductors & Devices	\$ 4,812,400	\$ 1,165,462	\$ 3,646,938	\$ 4,949,830	\$ -	\$ 4,949,830	\$ 1,129,147	27.08	3.69%	60.00	1.67%	\$ 134,692	\$ 82,497	\$ 9,410	\$ 226,599	\$ 236,897	\$ 10,298
1840	Underground Conduit	\$ 631,714	\$ 100,328	\$ 531,386	\$ 1,452,653	\$ -	\$ 1,452,653	\$ 516,961	37.08	2.70%	50.00	2.00%	\$ 14,333	\$ 29,053	\$ 5,170	\$ 48,555	\$ 48,432	\$ 123
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 594,478	\$ 1,732,461	\$ 1,585,193	\$ -	\$ 1,585,193	\$ 352,214	20.40	4.90%	40.00	2.50%	\$ 84,925	\$ 39,630	\$ 4,403	\$ 128,958	\$ 127,214	\$ 1,744
1850	Line Transformers	\$ 6,397,142	\$ 1,475,778	\$ 4,921,363	\$ 4,136,231	\$ -	\$ 4,136,231	\$ 808,474	23.34	4.28%	40.00	2.50%	\$ 210,825	\$ 103,406	\$ 10,106	\$ 324,337	\$ 315,905	\$ 8,432
1855	Services (OH)	\$ 3,293,888	\$ 814,710	\$ 2,479,178	\$ 1,140,134	\$ -	\$ 1,140,134	\$ 160,348	21.30	4.69%	60.00	1.67%	\$ 116,387	\$ 19,002	\$ 1,336	\$ 136,726	\$ 139,003	\$ 2,278
1855	Services (UG)	\$ 7,484,766	\$ 1,833,581	\$ 5,651,186	\$ 4,323,904	\$ -	\$ 4,323,904	\$ 885,245	21.57	4.64%	40.00	2.50%	\$ 261,940	\$ 108,098	\$ 11,066	\$ 381,103	\$ 378,135	\$ 2,968
1860	Meters	\$ 641,397	\$ -	\$ 641,397	\$ -	\$ -	\$ -	\$ -	15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 44,857	\$ 4,046
1860	Meters (Smart Meters)	\$ 2,709,763	\$ -	\$ 2,709,763	\$ 832,590	\$ -	\$ 832,590	\$ 113,575	10.30	9.71%	10.00	10.00%	\$ 263,194	\$ 83,259	\$ 5,679	\$ 352,132	\$ 344,820	\$ 7,311
1905	Land	\$ 86,551	\$ -	\$ 86,551	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1908	Buildings & Fixtures	\$ 996,035	\$ 499,169	\$ 496,866	\$ 1,425,541	\$ -	\$ 1,425,541	\$ 40,195	6.97	14.35%	25.00	4.00%	\$ 71,310	\$ 57,022	\$ 804	\$ 129,135	\$ 109,776	\$ 19,360
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 50,813	\$ -	\$ 77,248	\$ -	\$ 77,248	\$ 7,549	-	0.00%	10.00	10.00%	\$ -	\$ 7,725	\$ 377	\$ 8,102	\$ 9,534	\$ 1,432
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 160,672	\$ -	\$ 426,148	\$ 76,081	\$ 350,067	\$ 224,479	-	0.00%	5.00	20.00%	\$ -	\$ 70,013	\$ 22,448	\$ 92,461	\$ 77,730	\$ 14,731
1930	Transportation Equipment >3	\$ 592,813	\$ 592,813	\$ -	\$ 1,084,351	\$ -	\$ 1,084,351	\$ 324,244	-	0.00%	8.00	12.50%	\$ -	\$ 135,544	\$ 20,265	\$ 155,809	\$ 140,792	\$ 15,018
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 549,090	\$ 125,731	\$ 423,359	\$ 107,275	-	0.00%	5.00	20.00%	\$ -	\$ 84,672	\$ 10,728	\$ 95,399	\$ 108,209	\$ 12,810
1935	Stores Equipment	\$ -	\$ -	\$ -	\$ 67,298	\$ -	\$ 67,298	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 2,692	\$ 2,692
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 214,636	\$ -	\$ 226,124	\$ -	\$ 226,124	\$ 41,078	-	0.00%	10.00	10.00%	\$ -	\$ 22,612	\$ 2,054	\$ 24,666	\$ 36,498	\$ 11,831
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ 19,683	\$ 19,683	\$ -	\$ 99,183	\$ -	\$ 99,183	\$ 3,573	-	0.00%	10.00	10.00%	\$ -	\$ 9,918	\$ 179	\$ 10,097	\$ 10,404	\$ 307
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930	\$ -	\$ 2,930	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 293	\$ 0
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ 283,106	\$ 259,823	\$ 23,283	\$ 596,628	\$ -	\$ 596,628	\$ 53,180	1.98	50.51%	11.91	8.40%	\$ 11,799	\$ 50,095	\$ 2,233	\$ 64,086	\$ 64,127	\$ 41
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ 31,426	\$ 11,407	\$ 20,019	\$ -	\$ -	\$ -	\$ -	12.28	8.14%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,629	\$ 0
1995	Contributions & Grants	\$ 5,981,924	\$ 1,206,341	\$ 4,775,583	\$ 1,737,867	\$ -	\$ 1,737,867	\$ -	27.71	3.61%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 230,216	\$ 19,262
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ 3,757,586	\$ -	\$ 3,757,586	\$ 483,042	-	-	46.00	-	\$ -	\$ 81,687	\$ 5,250	\$ 86,937	\$ 93,372	\$ 6,435
2005	Property Under Finance Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ 41,689,251</b>	<b>\$ 10,773,478</b>	<b>\$ 30,915,772</b>	<b>\$ 35,736,383</b>	<b>\$ 1,251,535</b>	<b>\$ 34,484,847</b>	<b>\$ 6,615,112</b>					<b>\$ 1,591,273</b>	<b>\$ 1,232,158</b>	<b>\$ 132,837</b>	<b>\$ 2,956,268</b>	<b>\$ 2,888,471</b>	<b>\$ 67,797</b>

Table 4 - 56- Depreciation & Amortization Expense - 2020 – MIFRS

2020		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>8</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>3</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>5</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance <sup>6</sup>	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/f	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 158,896	\$ 158,896	\$ -	\$ 570,250	\$ 381,126	\$ 189,124	\$ 1,250	-	0.00%	5.00	20.00%	\$ -	\$ 37,825	\$ 125	\$ 37,950	\$ 30,531	\$ 7,419	
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 446,493	\$ -	\$ 446,493	\$ 58,812	\$ -	\$ 58,812	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings	\$ 1,418,749	\$ 257,427	\$ 1,161,322	\$ 775,725	\$ -	\$ 775,725	\$ -	36.09	2.77%	50.00	2.00%	\$ 32,178	\$ 15,515	\$ -	\$ 16,664	\$ 17,923	\$ 1,259	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 2,080,936	\$ 4,650,873	\$ 11,046,684	\$ -	\$ 11,046,684	\$ 473,587	17.88	5.59%	40.00	2.50%	\$ 260,117	\$ 276,167	\$ 5,920	\$ 542,204	\$ 558,933	\$ 16,729	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures	\$ 8,016,523	\$ 2,076,048	\$ 5,940,475	\$ 9,687,355	\$ 956,005	\$ 8,731,350	\$ 1,695,322	22.89	4.37%	45.00	2.22%	\$ 259,506	\$ 194,030	\$ 18,837	\$ 472,373	\$ 485,810	\$ 13,437	
1835	Overhead Conductors & Devices	\$ 4,812,400	\$ 1,300,155	\$ 3,512,246	\$ 6,078,977	\$ -	\$ 6,078,977	\$ 637,333	26.08	3.83%	60.00	1.67%	\$ 134,692	\$ 101,316	\$ 5,311	\$ 241,320	\$ 250,251	\$ 8,931	
1840	Underground Conduit	\$ 631,714	\$ 114,661	\$ 517,054	\$ 1,969,614	\$ -	\$ 1,969,614	\$ 499,206	36.08	2.77%	50.00	2.00%	\$ 14,333	\$ 39,392	\$ 4,992	\$ 58,717	\$ 56,511	\$ 2,206	
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 679,403	\$ 1,647,536	\$ 1,937,407	\$ -	\$ 1,937,407	\$ 367,085	19.40	5.15%	40.00	2.50%	\$ 84,925	\$ 48,435	\$ 4,589	\$ 137,949	\$ 133,281	\$ 4,668	
1850	Line Transformers	\$ 6,397,142	\$ 1,686,603	\$ 4,710,538	\$ 4,944,705	\$ -	\$ 4,944,705	\$ 518,945	22.34	4.48%	40.00	2.50%	\$ 210,825	\$ 123,618	\$ 6,487	\$ 340,930	\$ 336,228	\$ 4,702	
1855	Services (OH)	\$ 3,293,888	\$ 931,098	\$ 2,362,790	\$ 1,300,482	\$ -	\$ 1,300,482	\$ 185,230	20.30	4.93%	60.00	1.67%	\$ 116,387	\$ 21,675	\$ 1,544	\$ 139,605	\$ 141,883	\$ 2,278	
1855	Services (UG)	\$ 7,484,766	\$ 2,095,521	\$ 5,389,245	\$ 5,209,149	\$ -	\$ 5,209,149	\$ 512,863	20.57	4.86%	40.00	2.50%	\$ 261,940	\$ 130,229	\$ 6,411	\$ 398,580	\$ 401,918	\$ 3,339	
1860	Meters	\$ 641,397	\$ -	\$ 641,397	\$ -	\$ -	\$ -	\$ -	15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 43,679	\$ 2,868	
1860	Meters (Smart Meters)	\$ 2,709,763	\$ -	\$ 2,709,763	\$ 946,165	\$ -	\$ 946,165	\$ 142,738	10.30	9.71%	10.00	10.00%	\$ 263,194	\$ 94,617	\$ 7,137	\$ 364,947	\$ 355,877	\$ 9,070	
1905	Land	\$ 86,551	\$ -	\$ 86,551	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ 996,035	\$ 570,479	\$ 425,556	\$ 1,465,736	\$ -	\$ 1,465,736	\$ 295,509	5.97	16.76%	25.00	4.00%	\$ 71,310	\$ 58,629	\$ 5,910	\$ 135,849	\$ 120,184	\$ 15,665	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 50,813	\$ -	\$ 84,797	\$ -	\$ 84,797	\$ 31,455	-	0.00%	10.00	10.00%	\$ -	\$ 8,480	\$ 1,573	\$ 10,052	\$ 10,061	\$ 9	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 160,672	\$ -	\$ 650,627	\$ 204,796	\$ 445,830	\$ 348,220	-	0.00%	5.00	20.00%	\$ -	\$ 89,166	\$ 34,822	\$ 123,988	\$ 119,161	\$ 4,827	
1930	Transportation Equipment >3	\$ 592,813	\$ 592,813	\$ -	\$ 1,408,595	\$ -	\$ 1,408,595	\$ -	-	0.00%	8.00	12.50%	\$ -	\$ 176,074	\$ -	\$ 176,074	\$ 152,312	\$ 23,762	
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 656,365	\$ 152,905	\$ 503,460	\$ 89,396	-	0.00%	5.00	20.00%	\$ -	\$ 100,692	\$ 8,940	\$ 109,632	\$ 117,406	\$ 7,774	
1935	Stores Equipment	\$ -	\$ -	\$ -	\$ 67,298	\$ -	\$ 67,298	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 6,730	\$ 6,730	
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 214,636	\$ -	\$ 267,202	\$ -	\$ 267,202	\$ 58,614	-	0.00%	10.00	10.00%	\$ -	\$ 26,720	\$ 2,931	\$ 29,651	\$ 39,613	\$ 9,962	
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,650	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 5,533	\$ 5,533	
1955	Communications Equipment	\$ 19,683	\$ 19,683	\$ -	\$ 102,757	\$ -	\$ 102,757	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 10,276	\$ -	\$ 10,276	\$ 9,296	\$ 980	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930	\$ -	\$ 2,930	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 293	\$ 0	
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1980	System Supervisor Equipment	\$ 283,106	\$ 271,582	\$ 11,524	\$ 649,808	\$ -	\$ 649,808	\$ 80,676	1.81	55.25%	11.91	8.40%	\$ 6,367	\$ 54,560	\$ 3,387	\$ 64,314	\$ 66,104	\$ 1,790	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1990	Other Tangible Property	\$ 31,426	\$ 13,037	\$ 18,389	\$ -	\$ -	\$ -	\$ -	11.28	8.86%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,630	\$ 0	
1995	Contributions & Grants	\$ 5,981,924	\$ 1,378,676	\$ 4,603,248	\$ 1,737,867	\$ -	\$ 1,737,867	\$ -	26.71	3.74%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 230,216	\$ 19,262	
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ 4,240,628	\$ -	\$ 4,240,628	\$ 560,311	-	-	46.00	-	\$ -	\$ 92,188	\$ 6,090	\$ 98,278	\$ 104,244	\$ 5,966	
2005	Property Under Finance Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 41,689,251	\$ 12,060,747	\$ 29,628,504	\$ 42,351,495	\$ 1,694,832	\$ 40,656,663	\$ 5,487,768					\$ 1,585,880	\$ 1,445,872	\$ 112,823	\$ 3,144,576	\$ 3,126,688	\$ 17,888	

Table 4 - 57- Depreciation & Amortization Expense - 2021 – MIFRS

2021		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>7</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>2</sup>	Less Fully Depreciated <sup>8</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change <sup>3</sup>	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change <sup>4</sup>	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions <sup>5</sup>	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance <sup>6</sup>	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 158,896	\$ 158,896	\$ -	\$ 571,500	\$ 386,210	\$ 185,290	\$ 233,150	-	0.00%	5.00	20.00%	\$ -	\$ 37,058	\$ 23,315	\$ 60,373	\$ 47,524	\$ 12,849	
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1805	Land	\$ 446,493	\$ -	\$ 446,493	\$ 58,812	\$ -	\$ 58,812	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1808	Buildings	\$ 1,418,749	\$ 289,605	\$ 1,129,144	\$ 775,725	\$ -	\$ 775,725	\$ -	35.09	2.85%	50.00	2.00%	\$ 32,178	\$ 15,515	\$ -	\$ 16,664	\$ 17,923	\$ 1,259	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1820	Distribution Station Equipment <50 kV	\$ 6,731,809	\$ 2,341,053	\$ 4,390,755	\$ 11,520,271	\$ -	\$ 11,520,271	\$ 474,482	16.88	5.92%	40.00	2.50%	\$ 260,117	\$ 288,007	\$ 5,931	\$ 554,055	\$ 602,575	\$ 48,520	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1830	Poles, Towers & Fixtures	\$ 8,016,523	\$ 2,335,554	\$ 5,680,969	\$ 11,382,677	\$ 1,165,580	\$ 10,217,097	\$ 2,033,907	21.89	4.57%	45.00	2.22%	\$ 259,506	\$ 227,047	\$ 22,599	\$ 509,152	\$ 494,552	\$ 14,600	
1835	Overhead Conductors & Devices	\$ 4,812,400	\$ 1,434,847	\$ 3,377,553	\$ 6,716,310	\$ -	\$ 6,716,310	\$ 555,555	25.08	3.99%	60.00	1.67%	\$ 134,692	\$ 111,938	\$ 4,630	\$ 251,260	\$ 260,192	\$ 8,932	
1840	Underground Conduit	\$ 631,714	\$ 128,993	\$ 502,721	\$ 2,468,819	\$ -	\$ 2,468,819	\$ 477,235	35.08	2.85%	50.00	2.00%	\$ 14,333	\$ 49,376	\$ 4,772	\$ 68,481	\$ 66,275	\$ 2,206	
1845	Underground Conductors & Devices	\$ 2,326,939	\$ 764,329	\$ 1,562,611	\$ 2,304,492	\$ -	\$ 2,304,492	\$ 190,084	18.40	5.43%	40.00	2.50%	\$ 84,925	\$ 57,612	\$ 2,376	\$ 144,914	\$ 140,246	\$ 4,668	
1850	Line Transformers	\$ 6,397,142	\$ 1,897,429	\$ 4,499,713	\$ 5,463,651	\$ -	\$ 5,463,651	\$ 653,474	21.34	4.69%	40.00	2.50%	\$ 210,825	\$ 136,591	\$ 8,168	\$ 355,585	\$ 350,883	\$ 4,702	
1855	Services (OH)	\$ 3,293,888	\$ 1,047,485	\$ 2,246,403	\$ 1,485,712	\$ -	\$ 1,485,712	\$ 136,661	19.30	5.18%	60.00	1.67%	\$ 116,387	\$ 24,762	\$ 1,139	\$ 142,288	\$ 144,566	\$ 2,278	
1855	Services (UG)	\$ 7,484,766	\$ 2,357,461	\$ 5,127,305	\$ 5,722,012	\$ -	\$ 5,722,012	\$ 803,909	19.57	5.11%	40.00	2.50%	\$ 261,940	\$ 143,050	\$ 10,049	\$ 415,039	\$ 418,378	\$ 3,339	
1860	Meters	\$ 641,397	\$ -	\$ 641,397	\$ -	\$ -	\$ -	\$ -	15.72	6.36%	25.00	4.00%	\$ 40,810	\$ -	\$ -	\$ 40,810	\$ 42,818	\$ 2,008	
1860	Meters (Smart Meters)	\$ 2,709,763	\$ -	\$ 2,709,763	\$ 1,088,903	\$ -	\$ 1,088,903	\$ 139,467	10.30	9.71%	10.00	10.00%	\$ 263,194	\$ 108,890	\$ 6,973	\$ 379,058	\$ 369,771	\$ 9,287	
1905	Land	\$ 86,551	\$ -	\$ 86,551	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ 996,035	\$ 641,789	\$ 354,246	\$ 1,761,245	\$ -	\$ 1,761,245	\$ 290,413	4.97	20.13%	25.00	4.00%	\$ 71,310	\$ 70,450	\$ 5,808	\$ 147,568	\$ 131,903	\$ 15,665	
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 50,813	\$ 50,813	\$ -	\$ 116,252	\$ -	\$ 116,252	\$ 2,000	-	0.00%	10.00	10.00%	\$ -	\$ 11,625	\$ 100	\$ 11,725	\$ 10,530	\$ 1,195	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 160,672	\$ 160,672	\$ -	\$ 998,847	\$ 233,923	\$ 764,923	\$ 9,800	-	0.00%	5.00	20.00%	\$ -	\$ 152,985	\$ 980	\$ 153,965	\$ 149,986	\$ 3,979	
1930	Transportation Equipment >3	\$ 592,813	\$ 592,813	\$ -	\$ 1,408,595	\$ -	\$ 1,408,595	\$ 323,941	-	0.00%	8.00	12.50%	\$ -	\$ 176,074	\$ 20,246	\$ 196,321	\$ 171,368	\$ 24,952	
1930	Transportation Equipment <3	\$ 154,906	\$ 154,906	\$ -	\$ 745,761	\$ 242,771	\$ 502,990	\$ -	-	0.00%	5.00	20.00%	\$ -	\$ 100,598	\$ -	\$ 100,598	\$ 77,777	\$ 22,821	
1935	Stores Equipment	\$ -	\$ -	\$ -	\$ 67,298	\$ -	\$ 67,298	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 6,730	\$ 6,730	
1940	Tools, Shop & Garage Equipment	\$ 214,636	\$ 214,636	\$ -	\$ 325,816	\$ -	\$ 325,816	\$ 40,000	-	0.00%	10.00	10.00%	\$ -	\$ 32,582	\$ 2,000	\$ 34,582	\$ 39,594	\$ 5,012	
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ 110,650	\$ -	\$ 110,650	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 11,065	\$ 11,065	
1955	Communications Equipment	\$ 19,683	\$ 19,683	\$ -	\$ 102,757	\$ -	\$ 102,757	\$ -	-	0.00%	10.00	10.00%	\$ -	\$ 10,276	\$ -	\$ 10,276	\$ 9,296	\$ 980	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1960	Miscellaneous Equipment	\$ 10,055	\$ 10,055	\$ 0	\$ 2,930	\$ -	\$ 2,930	\$ -	0.00%	10.00	10.00%	0.00%	\$ -	\$ 293	\$ -	\$ 293	\$ 293	\$ 0	
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1980	System Supervisor Equipment	\$ 283,106	\$ 277,949	\$ 5,157	\$ 730,484	\$ -	\$ 730,484	\$ 98,517	1.00	100.00%	11.91	8.40%	\$ 5,157	\$ 61,334	\$ 4,136	\$ 70,627	\$ 73,811	\$ 3,184	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1990	Other Tangible Property	\$ 31,426	\$ 14,666	\$ 16,760	\$ -	\$ -	\$ -	\$ -	10.28	9.72%	10.00	10.00%	\$ 1,630	\$ -	\$ -	\$ 1,630	\$ 1,630	\$ 0	
1995	Contributions & Grants	\$ 5,981,924	\$ 1,551,010	\$ 4,430,914	\$ 1,737,867	\$ -	\$ 1,737,867	\$ -	25.71	3.89%	45.00	2.22%	\$ 172,334	\$ 38,619	\$ -	\$ 210,954	\$ 212,507	\$ 1,553	
2440	Deferred Revenue	\$ -	\$ -	\$ -	\$ 4,800,939	\$ -	\$ 4,800,939	\$ 551,144	-	0.00%	46.00	0.00%	\$ -	\$ 104,368	\$ 5,991	\$ 110,359	\$ 116,593	\$ 6,234	
2005	Property Under Finance Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 41,689,251	\$ 13,342,623	\$ 28,346,628	\$ 47,839,263	\$ 2,028,485	\$ 45,810,778	\$ 5,911,450					\$ 1,584,671	\$ 1,642,046	\$ 117,232	\$ 3,343,949	\$ 3,310,585	\$ 33,364	



## 2.4.5 TAXES OR PAYMENTS IN LIEU OF TAXES AND PROPERTY TAXES

### 2.4.5.1 INCOME TAXES OR PILS AND CAPITAL TAXES

NBHDL makes payments in lieu (PILs) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario), as modified by the Electricity Act, 1998, and related regulations. NBHDL does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. NBHDL is projecting a taxable income in the 2021 Test year of \$198,234, however, has utilized tax loss carry forward amounts forecasted in the 2020 Bridge Year and reduced PILs to \$0 for the purposes of the recovery of PILs in this Application.

NBHDL notes that it pays dividends each year to its shareholders; however, since the shareholder is a municipality and not subject to income taxes, the dividends are treated as non-taxable and do not affect the PILs return.

Table 4-58 below provides a summary of the 2015 Board Approved, the 2015 through 2019 historical period as recorded in the audited statements, the 2020 Bridge Year, and the 2021 Test Year PIL's estimates. The table compares these to NBHDL's financial statements; the variances are immaterial. The estimates for 2020 and 2021 are based on the rates prescribed by the Board in the Board's Income Tax/PILs Workform for 2021 Filers as provided in Appendix 4-D. A copy of NBHDL's 2019 annual tax return has been provided in Appendix 4-E. In accordance with the 2021 Filing Requirements the Board's PILs model has also been completed and submitted and is consistent with the PILs included in the 2021 revenue requirement.

**Table 4 - 58: Income Tax Summary**

Current Taxes	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals
<b>Financial Statements</b>					
Income Taxes (Current)	300,000	165,881	130,864	-	122,584
<b>Total Financial Statements</b>	<b>300,000</b>	<b>165,881</b>	<b>130,864</b>	<b>-</b>	<b>122,584</b>
<b>Tax Returns</b>					
Income Taxes (Current)	298,515	165,266	141,617	-	123,124
<b>Total Tax Returns</b>	<b>298,515</b>	<b>165,266</b>	<b>141,617</b>	<b>-</b>	<b>123,124</b>
<b>Variance to G/L</b>	<b>(1,485)</b>	<b>(615)</b>	<b>10,753</b>	<b>-</b>	<b>540</b>

NBHDL has calculated PILs using the Board approved model – Income Tax/PILs Workform and has attached it as a live spreadsheet to this Application. A summary of the calculation of Regulatory Taxable Income is provided in Table 4-59 below.

**Table 4 - 59: Regulatory Taxable Income**

Item	2021 Test Year
<b>Net Income Before Taxes</b>	<b>2,542,949</b>
<b>Additions:</b>	
Amortization of tangible assets	3,427,178
Tax reserves deducted in prior years	4,646,251
Reserves from financial statements - balance at the end of the year	4,620,373
Loss on disposal of assets	69,191
Charitable donations (LEAP)	18,823
Meals & entertainment	18,146
Post employment benefit expense	188,177
<b>Total Additions</b>	<b>12,988,139</b>
<b>Deductions:</b>	
Capital cost allowance from Schedule 8	5,654,607
Tax reserves claimed in the current year	4,620,373
Reserves from financial statements - balance at the beginning of the year	4,646,251
Contributions in Aid of Capital (CAIC) - deferred revenue amortization	116,593
Post employment benefit paid	295,030
<b>Total Deductions</b>	<b>15,332,854</b>
<b>Regulatory Taxable Income</b>	<b>198,234</b>

#### **2.4.5.1.1 Loss Carry Forwards**

NBHDL does not have any non-capital loss carry-forwards as of 2019, confirmed by the 2019 tax return. However, due to negative taxable income forecasted in the 2020 Bridge Year, a loss carry-forward of \$2,048,903 is anticipated. NBHDL has used this balance to reduce the 2021 Test Year PILs to \$0. NBHDL will update this loss carry forward through the IR process to reflect 2020 actual data where available and applicable.

#### **2.4.5.1.2 Other Additions and Deductions**

In accordance with the Filing Requirements, NBHDL has excluded the deferral and variance accounts for Regulatory Assets and Liabilities for the 2020 Bridge Year and 2021 Test Year.

### 2.4.5.1.3 Tax Credits

NBHDL takes advantage of the tax credits available to minimize taxes payable and the 2020 Bridge Year and 2021 Test Year maximize loss carry-forward values. Tax credits include the Investment Tax Credit (Apprenticeship), and the Ontario Co-Operative Education Tax Credit. The 2021 Test Year credits are based on three co-op students, and one apprentice in the Operations department. Due to the loss carry-forward in the 2020 Bridge Year, NBHDL has recorded tax credits and donations as "Other Adjustments" in the loss carry-forward schedules in order to utilize in future years.

### 2.4.5.1.4 Detailed Tax Calculations

Table 4-60 below summarizes the tax calculations for 2015 Board Approved, historical years 2015-2019, 2020 Bridge Year, and the 2021 Test Year. The table itemizes all additions and deductions that are part of NBHDL's tax calculations.

**Table 4 - 60: Tax Calculations**

Item	2015 Board Approved	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
<b>Net Income Before Taxes</b>	<b>2,262,460</b>	<b>3,225,071</b>	<b>4,528,079</b>	<b>3,923,785</b>	<b>3,908,964</b>	<b>2,666,455</b>	<b>432,438</b>	<b>2,542,949</b>
<b>Additions:</b>								
Amortization of tangible assets	2,566,491	2,537,087	2,614,481	2,677,812	2,854,199	2,981,841	3,230,932	3,427,178
Recapture of capital cost allowance from Schedule 8								
Tax reserves deducted in prior years	2,250,289	2,298,355	2,492,767				4,668,298	4,646,251
Reserves from financial statements - balance at the end of the year	6,557,387	7,428,791	5,100,637				4,646,251	4,620,373
Loss on disposal of assets	78,456	49,800		154,023	25,920	90,272	47,391	69,191
Charitable donations		15,800	27,661	80,765	35,073	33,458	15,560	18,823
Tax credits	20,725	12,000	2,000	1,781		2,000		
Meals & entertainment	10,000	9,370	8,954	16,939	16,339	15,179	18,579	18,146
Unrealized loss		152,493			140,775	681,401		
Post employment benefit expense				209,666	177,966	275,841	184,420	188,177
Taxable capital gains			14,104					
Interest and penalties on taxes		1,194	4,248	1,028				
<b>Total Additions</b>	<b>11,483,348</b>	<b>12,504,890</b>	<b>10,264,852</b>	<b>3,142,014</b>	<b>3,250,272</b>	<b>4,079,992</b>	<b>12,811,430</b>	<b>12,988,139</b>
<b>Deductions:</b>								
Capital cost allowance from Schedule 8	4,288,068	4,220,176	4,363,739	4,523,683	4,964,455	4,788,912	5,502,877	5,654,607
Tax reserves claimed in the current year	2,267,698	2,492,767	895,073				4,646,251	4,620,373
Reserves from financial statements - balance at the beginning of the year	6,551,059	7,227,658	7,428,791				4,668,298	4,646,251
Net change in regulatory assets		558,772	1,306,718	725,666	1,866,790	442,716		
Gain on disposal of assets			115,544					
Charitable donations		15,800	27,662			68,531		
Contributions in Aid of Capital (CAIC) - deferred revenue amortization		43,034		71,269	80,619	93,371	104,244	116,593
Unrealized gains				890,292				
Non capital losses						22,474		
Post employment benefit paid				239,718	269,846	260,166	266,541	295,030
Other miscellaneous				-	-	605,148	85,000	
<b>Total Deductions</b>	<b>13,106,825</b>	<b>14,558,206</b>	<b>14,137,527</b>	<b>6,450,628</b>	<b>7,181,710</b>	<b>6,281,318</b>	<b>15,273,211</b>	<b>15,332,854</b>
<b>Taxable Income</b>	<b>638,983</b>	<b>1,171,755</b>	<b>655,404</b>	<b>615,171</b>	<b>(22,474)</b>	<b>465,129</b>	<b>(2,029,343)</b>	<b>198,234</b>
Tax Rate	26.50%	25.65%	25.49%	23.02%	0.00%	26.90%	26.50%	26.50%
Income Taxes	169,331	300,515	167,047	141,617	-	125,124	-	-
Tax Credits	20,725	2,000	1,781	-	-	2,000	-	-
<b>Total Income Taxes</b>	<b>148,605</b>	<b>298,515</b>	<b>165,266</b>	<b>141,617</b>	<b>-</b>	<b>123,124</b>	<b>-</b>	<b>-</b>
Gross Up	53,579	-	-	-	-	-	-	-
<b>Total Taxes</b>	<b>202,184</b>	<b>298,515</b>	<b>165,266</b>	<b>141,617</b>	<b>-</b>	<b>123,124</b>	<b>-</b>	<b>-</b>

#### 2.4.5.1.5 Integrity Checks

NBHDL has completed the integrity checks for the following information as detailed in the filing requirements.

- The depreciation and amortization added back in the PIL's model agree with the numbers disclosed in the rate base section of the application. Note that these depreciation amounts for tax purposes exclude recognized deferred revenues in Acct 2240.
- The capital additions and deductions in the UCC/CCA schedule 8 agree with the rate base section for historical, bridge and test years.
- Schedule 8 of the most recent federal T2 tax return filed as a closing December 31, 2019 agrees with the opening 2020 Bridge Year UCC. NBHDL confirms that non-distribution tax amounts on Schedule 8 were \$0 on the December 31, 2019 tax return.
- The CCA deductions in the PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application.
- NBHDL does not have any loss carry-forwards from its 2019 tax return. Loss carry-forwards are a result of the 2020 Bridge Year and as such will be updated through the IR process.
- CCA is maximized each year, including 2020 Bridge Year where there is a loss carry-forward projected.
- Post-retirement benefit obligations added back on Schedule 1, the reconciliation of accounting income to net income for tax purposes, agree with the amounts provided in the OM&A analysis for compensation.
- The income tax rate used to calculate the tax expense is consistent with the NBHDL's actual tax facts and the evidence filed in the application.

#### 2.4.5.1.6 Accelerated CCA

On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given Royal Assent. Included in Bill C-97 are various changes to the federal income tax regime. One of the changes introduced by Bill C-97 is the Accelerated Investment Incentive program, which provides for a first-year increase in CCA deductions on eligible capital assets acquired after November 20, 2018.

As per the OEB's July 25, 2019 letter, the OEB expected distributors to:

- 1) Record the impacts of CCA rule changes in Account 1592 - PILs and Tax Variances – CCA Changes for the period November 21, 2018 until the effective date of the distributor's next cost-based rate order.
- 2) Record the full revenue requirement impact of any changes in CCA rules that are not reflected in base rates in Account 1592 – PILs and Tax Variances – CCA Changes.
- 3) Bring forward any amounts tracked in Account 1592 - PILs and Tax Variances – CCA Changes for review and disposition in accordance with the OEB's filing requirements for the disposition of deferral and variance accounts, which would generally coincide with a distributor's next cost-based rate application.

NBHDL determined the amount in Account 1592 for 2019 by having its outside tax specialists determine income taxes with and without the use of accelerated CCA. For the 2019 historical period, this amount was determined to be \$177,903. NBHDL has proposed 50% of this balance should be refunded to rate payers and the details of this are included in Exhibit 9. NBHDL has also projected an amount for 2020, however, will seek disposition in a later rate application subsequent to the calculation of 2020 actuals. NBHDL is applying the revised accelerated CCA changes to revenue requirement in 2021.

This tax incentive is planned to begin being phased out in 2023. NBHDL is requesting that any rate base implications from the phase out to be tracked in a 1592 sub-account to be recovered at the next Cost of Service Application.

## **2.4.5.2 OTHER TAXES**

### **2.4.5.2.1 Property Taxes**

NBHDL pays property taxes to the City of North Bay for its office premises and the municipal substations and transformer stations. In addition, NBHDL makes annual payments to the Ontario Electricity Financial Corporation for "Payments in Lieu of Property Taxes". Property taxes for the 2015 Board Approved, historical years 2015-2019, the 2020 Bridge Year and the 2021 Test Year are provided in Table 4-61 below. Property taxes for the 2021 Test Year are based on an annual cost increase of 3.5% over 2019.

**Table 4 - 61– Property Taxes**

Current Taxes	2015 Board Approved	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Total Property Taxes	69,876	76,986	79,817	80,230	82,155	87,960	93,665	96,944

#### 2.4.5.2.2 Non-recoverable and Disallowed Expenses

NBHDL has not included donations in the calculation of revenue requirement or PILs.

#### 2.4.6 CONSERVATION AND DEMAND MANAGEMENT (“CDM”)

NBHDL’s CDM activity is funded through programs contracted with the IESO. NBHDL has not included any costs directly attributable to these CDM programs in its revenue requirement. CDM revenues and expenses are included in Accounts 4375 and 4380 and net to zero. The announcement to centralize CDM delivery has been reflected in the 2020 Bridge Year and 2021 Test Year of this Application.

##### 2.4.6.1 LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT (“LRAMVA”)

On March 31, 2011, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of licence, the requirement for distributors to achieve reductions in electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

On April 26, 2012, the Board issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 and the level of activities embedded into rates through the distributors load forecast in an LRAM variance account.

On May 19, 2016, the OEB issued the “Report of the OEB: Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs” to update its policy on how peak demand savings from energy efficiency and demand response programs should be treated for LRAM Variance Account (LRAMVA) purposes.

1 In July 2016, the OEB developed a generic LRAMVA Workform to calculate the LRAMVA. NBHDL has  
2 completed this work form and it is included in this Application as a live NBHDL\_LRAMVA (Attachment 4-  
3 X).

#### 4 **2.4.6.2 DISPOSITION OF LRAMVA**

5 In accordance with the Filing Guidelines, a distributor must apply for the clearance of its LRAMVA balances  
6 attributable to energy efficiency programs in a COS application. The OEB established Account 1568 as the  
7 LRAMVA to capture the variance between the Board approved CDM forecast and the actual CDM results  
8 at the customer rate class level. Distributors must continue to track the variances between the Board  
9 approved LRAMVA threshold and actual CDM results in the LRAMVA for the 2015-2020 period, as noted  
10 in the OEB's "Conservation and Demand Management Requirement Guidelines for Electricity Distributors"  
11 issued December 19, 2014 (EB-2014-0278).

12 NBHDL is requesting disposition of the 2019 LRAMVA including 2019 results and persistence of savings  
13 from 2015-2018 programs, as well as persistence of these until April 30, 2021 when new rates, based on a  
14 new load forecast, will come into effect. The total amount requested for recovery is \$246,420, including  
15 carrying charges of \$3,427. The amounts requested for recovery are summarized in Table 4-53 below.  
16 Details of NBHDL's LRAM calculations and supporting evidence can be found in the third-party report  
17 prepared by IndEco Strategic Consulting Inc. and provided as Appendix 4-F to this Exhibit. Information  
18 provided in the IndEco report includes the CDM programs/initiatives applicable to each rate class as well  
19 as the energy savings (kWh) and peak demand (kW) assigned to each of the programs/initiatives.

20 Given that NBHDL is no longer offering customers new CDM programs, disposing of the LRAMVA balance  
21 that will exist as of April 30, 2021 completes NBHDL's LRAMVA claims for the Conservation First  
22 Framework (CFF), and is consistent with the recommendation in the most recent filing requirements from  
23 May 2020:

24 *"Distributors should strive to dispose of all CFF-related LRAMVA balances as part of its 2021 rate*  
25 *application. The OEB will rely on the Participation and Cost Reports and detailed project level savings files*  
26 *as supporting documentation when assessing applications for lost revenues in relation to energy and*  
27 *demand savings from programs delivered under the CFF where final verified results from the IESO are not*  
28 *available."*

29 LRAMVA has already been claimed for 2018 in EB-2019-0057; claims for earlier years were made in  
30 previous proceedings.

The tables and calculations by rate class required under the Filing Requirements can be found in the supporting calculations in the LRAMVA Workform. Please refer to Exhibit 9 for the calculation of NBHDL's recovery of its LRAMVA balance, and corresponding rate riders. The amounts requested for recovery have been included in the Deferral and Variance Account (Continuity Schedule) Workform and are summarized in Table 4-62 below by rate class. NBHDL is requesting a one-year recovery of the LRAMVA.

**Table 4 - 62– Summary of Requested LRAM Amounts**

Rate Classification	Total Lost Revenues	Total Interest	Total LRAM Claim	Rate Rider Exhibit 9
Residential	9,571	246	9,817	\$0.0383 / customer
GS <50 kW	78,595	1,014	79,609	\$0.0010 / kWh
GS 50 to 2,999 kW	148,901	2,091	150,991	\$0.2936 / kW
Street Lighting	5,927	76	6,003	\$0.2215 / kW
<b>Total Claim</b>	<b>242,994</b>	<b>3,427</b>	<b>246,420</b>	



## **APPENDIX 4-A: BENEFITS PACKAGE**

# **The MEARIE Group Employee Benefit Program**



## **Employee Benefit Booklet**

### **North Bay Hydro Management**

**Prepared: April 2020**

## ***Notice of Disclaimer***

***This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.***

***The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.***

***Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.***

*This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.*

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*Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.*

*Your disability and life plans are insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.*

*Any questions you have about your benefit program should be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, Extension 5351.*

*For quick and easy access to information about your group health and dental benefits, claim forms and claim payments, you may also visit the Great-West Life website at [www.greatwestlife.com](http://www.greatwestlife.com).*

# General Information

## Enrolling In The Benefit Program

### Who Can Enroll

If you are an active permanent full-time employee under the age of 65, you are first eligible to enroll in all benefit plans, with the exception of the Life Insurance plan, on the date your employment begins. You are eligible to enroll in the Life Insurance plan on the date you complete six (6) months of continuous employment with your employer.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### *Spouse*

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### *Dependent Children*

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

# General Information

## When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

You will be required to complete a Health or Dental Coverage Change of Information Form.

# General Information

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65 (applies to all benefits except for short term disability),
- the date you attain age 70 (applies to short term disability insurance), or
- the date the group plan is cancelled.

### Please note:

***Survivor benefits are not available under the extended healthcare benefit. Survivor benefits are available under the dental care benefit – to surviving dependents of ACTIVE employees only – according to the plan provisions outlined in this benefit booklet.***

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

# General Information

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

## **If You Retire**

Upon early retirement, you will continue to qualify for benefits under the plan, and shall be allowed to continue the Life Insurance, Extended Health and Dental benefits with 100% of the premium cost paid by the Employer until the age of 65.



# Dental Care

*Your dental care plan has been developed to help you and your family maintain good dental health.*

## How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current year's** Ontario Dental Association Fee Guide for General Practitioners and Specialists. Updates are made automatically each year.

There is **no dental care deductible**.

## What Is Covered

**Until the age of 65 the plan provides 100% reimbursement for the following BASIC dental services:**

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period, or prophylaxis (light scaling and polishing), limited to once in any 6-month period, when performed in Quebec
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

# Dental Care

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.
  1. provisional splinting; and
  2. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **50% reimbursement is provided for the following removable prosthodontic services and supplies:**

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
  1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  2. the existing appliance is at least 36 months old and cannot be made serviceable; or
  3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

## **Maximum Benefit**

No overall maximum benefit applies for basic dental services.

# Dental Care

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$400, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** *If, for any given dental condition, there are two or more courses of treatment covered under this plan, which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Dental Care

## How To Claim Dental Benefits

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

## **OR**

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Dental Care

## What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Dental Care

## Extended Benefit For Surviving Dependents of Active Employees

If you should die while insured under this plan as an employee of North Bay Hydro, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

**Note:** This provision does not apply if you are insured for dental coverage as a retired employee; in such case, coverage ceases upon your death.

# Extended Health Care

*Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.*

## How The Plan Works

**Until the age of 65, your extended health care plan reimburses 100% of the cost of medical services and supplies that are covered under the plan.**

There is **no extended health care deductible**.

## What Is Covered

The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- reasonable and customary, considering the circumstances involved and the area in which they are incurred,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured. (Most expenses which are covered in part or in full by the provincial health plan cannot legally be insured.)

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time.

# Extended Health Care

## Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days to a maximum of \$3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to \$10 per day, for a maximum of 120 days.

**Note:** *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*



# Extended Health Care

## Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- ethical drugs or medicines prescribed by a physician or dentist and dispensed by a licensed pharmacist, but which are available without a prescription,
- oral contraceptives,
- preventive vaccines,
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

**Mandatory Generic Substitution:** The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

**Note:** *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

# Extended Health Care

*The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

*Charges for fertility drugs are limited to a maximum of \$15,000 per lifetime.*

## Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist (*when recommended in writing by the attending physician*), naturopath, speech therapist, clinical psychologist, to a maximum of **\$550 per practitioner, per calendar year**.

**Note:** *Services for licensed chiropractor include up to \$50 for x-rays per calendar year.*

## Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **\$550 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

## Medical Services & Supplies

*For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.*

# Extended Health Care

## Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** *It is obligatory that a detailed treatment plan be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

## Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment:* crutches, canes, walkers and standard wheelchairs; and
- *Durable Medical Equipment:* manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.

# Extended Health Care

## Non-Dental Prostheses, Supports & Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- one pair of custom-made orthopaedic shoes per calendar year which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that cannot be accommodated by a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes, which are recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, up to a maximum of \$400 per pair, not to exceed more than one pair every six months, and
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of \$300 per lifetime.

# Extended Health Care

## Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

## Diagnostic Procedures

Microscopic and laboratory tests, and other similar diagnostic services.

## Ambulance

Licensed ambulance service, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The services must be received within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

## Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

# Extended Health Care

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Extended Health Care

## How To Claim Extended Health Care Benefits

**To claim benefits for medical services and supplies, *other than* drugs or medicines:**

1. Save all your receipts for medical services and supplies, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply, and
  - an item-by-item list of the charges.
2. Pick up a claim form from your Plan Administrator or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

***Note:*** *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Extended Health Care

## To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.

**Note:** *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

## What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by the Workplace Safety and Insurance Board,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,



## **Extended Health Care**

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# Healthcare Spending Account

*Your Health Care Spending Account provides you with annual credits to be spent on any eligible health or dental expense of your choice (according to CRA guidelines).*

## How The Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans, or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

Unused credits at the end of any plan year are rolled over to your account for the following plan year. If they are not used by the end of the following year, they are automatically forfeited.

The maximum annual payment available under your account consists of the amount of credit directed to it at the beginning of the plan year plus any unused amount from the previous year.

## Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act

## Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

# Healthcare Spending Account

## Covered Expenses

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office.

Great-West Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.

## Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan; or
- Expenses arising from war, insurrection, or voluntary participation in a riot.

## How to Make a Claim

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA.

Any claim against the HCSA must be submitted on a special HCSA claim form. For Healthcare and Visioncare claims, use form M5431A, and for Dentalcare claims, use form M5429A. **Claims against the HCSA must be submitted to the Great-West Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred.** The standard GWL claim forms should be used when you do not want benefits reimbursed from your HCSA.

# Short Term Disability

*Your short term disability plan provides you with a weekly income if you are unable to work due to non-occupational injury or illness.*

## How The Plan Works

Benefits are payable under the short term disability plan if, due to non-occupational injury or illness, you are unable to perform the duties of your normal job.

Benefits are payable from the **1st** day of disability if the disability is due to an accident, or from the **3rd** day of disability if the disability is due to illness. An employee with sick leave credits may elect to draw from his/her sick leave bank rather than utilize this benefit. Benefits will be paid for up to **26 weeks**.

## Benefits Provided

The short term disability plan provides a weekly benefit equal to **75% of your weekly earnings, to a maximum of \$2,500\* per week**.

*\*Health evidence of insurability, satisfactory to the insurer, is required for all amounts in excess of \$1,000.*

To receive benefits, you must be under the regular and continuing care of a physician. Satisfactory proof of your condition and medical attendance must be provided to the Insurance Company.

Any benefits you receive from the short term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

## Coordination with Other Disability Benefits

Short term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from any salary continuation arrangement or plan, the Canada Pension Plan, Quebec Pension Plan, or any other federal, provincial, municipal or foreign government plan, excluding any benefits payable with respect to your dependents

# Short Term Disability

## When Disability Recurs

If you recover and are able to return to work, only to become unable to work again, the second period of absence will be treated as a continuation of the first unless the medical reason for the second period is unrelated to the first, or is separated from the first by more than 2 weeks.

## How to Claim Short Term Disability Benefits

Claim forms are available from your Plan Administrator. Forms should be completed and returned to your Plan Administrator promptly, if you are unable to report for work. Short term disability claims must be submitted no later than 31 days from the date your disability begins.

## What's Not Covered

Your short term disability plan does not cover:

- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any accidental injury arising out of or in the course of employment, or disease covered by Workers' Compensation or similar legislation,
- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- participation in a criminal act, or
- any of the following:
  1. any disability, loss or expense that commences or occurs during your leave of absence except to the extent that the continuation of such insurance coverage during any period of statutory maternity or parental leave of absence is required either by any relevant federal or provincial law (whether statutory, regulatory or otherwise) or by any written agreement between your Utility and you; and
  2. any disability, loss or expense for which you are entitled to receive any basic and supplementary unemployment insurance, maternity/parental leave benefits.

# Long Term Disability

*Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.*

## How The Plan Works

Benefits are payable under the long-term disability plan after you have been totally and continuously disabled for a period of **180 days**.

## Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **75% of your regular monthly earnings, to a maximum of \$9,000\* per month**.

*\*Health evidence of insurability, satisfactory to the insurer, is required for all amounts in excess of \$6,000.*

*To qualify for long-term disability benefits you must be "totally disabled". During the first 60 months that you receive long-term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 60-month period, you will continue to qualify for long-term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long-term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long-term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

# Long Term Disability

## Coordination With Other Disability Benefits

Long-term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workplace Safety and Insurance Board or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System (OMERS), but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System (OMERS).

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

## Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long-term disability benefit will not be discontinued. However, your monthly long-term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

# Long Term Disability

## When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

## Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long-term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## How To Claim Long Term Disability Benefits

Claim forms are available from Human Resources Department. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long-term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.



# Long Term Disability

## What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

# Life Insurance

*Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.*

## **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by completing a General Change Form that may be obtained through your Human Resources Department.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

# Life Insurance

## Benefits Provided

### Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings
<b>Notes:</b> All amounts of basic term and additional term insurance are rounded upward to the nearest \$1,000. Regardless of which Option you select, the total amount of coverage cannot exceed \$600,000. Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.		

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan only, for a benefit equal to 150% of your annual earnings (Option 1). To enroll in any of the plan Options available that include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

# Life Insurance

## Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of \$10,000 to a maximum of \$250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of \$10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

## Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (**Note:** For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option).

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (**Note:** If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

# Life Insurance

## Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

# Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026
30 - 39	\$0.069	\$0.035	\$0.054	\$0.032
40 - 49	\$0.187	\$0.094	\$0.113	\$0.069
50 - 59	\$0.615	\$0.307	\$0.312	\$0.187
60 – 64	\$1.200	\$0.599	\$0.653	\$0.390
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

## When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends, other than by retirement on pension or cessation of active employment due to total disability;
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(**NOTE:** If your employment ends due to early retirement on pension, you may be eligible for a reduced Early Retirement Life Insurance benefit until age 65 — refer to the subsection, *Early Retirement Life Insurance*).

# Life Insurance

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

## Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first).

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

*Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

# Life Insurance

## Conversion Privilege

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

***<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).***

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.



# Life Insurance

## Early Retirement Life Insurance

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease (refer to chart on page 29).

However, you may qualify for a reduced Early Retirement Life Insurance benefit based on your years of service in this plan prior to retirement as set out in the chart below.

CLASSIFICATION	AMOUNT OF RETIREMENT LIFE INSURANCE
<b>A.</b> If you retire prior to age 65 and you retire with less than 10 Years of Service in this Plan	\$2,000
<b>B.</b> If you retire prior to age 65 and your retire with 10 or more Years of Service in this Plan	\$10,000
<b><u>Notes</u></b> The Life Insurance will continue to the normal retirement age of 65. On the date you attain age 65, the continued life insurance benefit, as set out in the schedule above, will cease.	

# Life Insurance

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

## **What's Not Covered**

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.

# Supplementary Life Insurance

*The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.*

## How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Available

Supplementary life insurance coverage is available in **multiples of \$10,000, to a maximum of \$250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

**(Note:** All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of \$600,000).

# Supplementary Life Insurance

## Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months). Monthly costs are provided in the table below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300

**Note:** Monthly costs shown above reflect those in effect as of January 1st, 2014.  
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  
Monthly costs shown above are subject to applicable taxes.

# Supplementary Life Insurance

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

*Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

## Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

***<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).***

# **Supplementary Life Insurance**

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

## **What's Not Covered**

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Group Home & Automobile Insurance Program

*The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.*

## How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program\*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is second-to-none in the Canadian insurance marketplace.

## Products Available

### Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

### Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

# Group Home & Automobile Insurance Program

## Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

### ***AVIVA Roadside Assist***

This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

### ***Vehicle Anti-theft Device***

Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the anti-theft device.

### ***Six Star Protector***

Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their “Six Star” driving record and their claims free discount in the event they have an accident in the future.

### ***Payment Options***

- Multi-pay plans, or, monthly payment plan with no interest or service fees.

### ***Hours Of Operation***

- Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.



# Group Home & Automobile Insurance Program

## How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at [www.avivacanada.com](http://www.avivacanada.com) (click on Traders - password: grquote).

*\* Administered by Alternative Risk Services Inc.*



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Vaughan, Ontario L4L 8K8  
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1.800.668.9979  
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Fax: 905.265.5301 Email: [mearie@mearie.ca](mailto:mearie@mearie.ca)

# **The MEARIE Group Employee Benefit Program**



## **Employee Benefit Booklet**

### **North Bay Hydro Non-Union Employees**

**Prepared: April 2020**

## ***Notice of Disclaimer***

***This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.***

***The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.***

***Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.***

*This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.*

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*Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.*

*Your disability and life plans are insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.*

### ***Need help?***

*Any questions you have about your benefit program may be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, extension 5330.*

*For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at [www.greatwestlife.com](http://www.greatwestlife.com).*

# General Information

## Enrolling In The Benefit Program

### Who Can Enroll

If you are an active permanent full-time employee under the age of 65, you are first eligible to enroll in all benefit plans, with the exception of the Life Insurance plan, on the date your employment begins. You are eligible to enrol in the Life Insurance plan on the date you complete six (6) months of continuous employment with your employer.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### *Spouse*

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### *Dependent Children*

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

# General Information

## When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

# General Information

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65, or
- the date the group plan is cancelled.

### Please note:

***Survivor benefits are not available under the extended healthcare benefit. Survivor benefits are available under the dental care benefit – to surviving dependents of ACTIVE employees only – according to the plan provisions outlined in this benefit booklet.***

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out.**



# General Information

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

## When You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire prior to your 65th birthday, but on or after your 55th birthday, and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire under an Early Retirement through OMERS, you will also qualify for a reduced amount of life insurance until you reach age 65. Coverage details are provided in the Life Insurance section of this handbook.

# Dental Care

*Your dental care plan has been developed to help you and your family maintain good dental health.*

## How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

## What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

# Dental Care

**The plan provides 100% reimbursement for the following basic dental services:**

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Maximum Benefit**

No overall maximum benefit applies for basic dental services.

# Dental Care

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Dental Care

## How To Claim Dental Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

## Dental Care

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

### **OR**

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Dental Care

## What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Dental Care

## Extended Benefit For Surviving Dependents of Active Employees

If you should die while insured under this plan as an **active** employee of North Bay Hydro, **dental coverage** will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

**NOTE: This provision does not apply if you are insured for dental coverage as a retired employee; in such case, coverage ceases upon your death.**



# Extended Health Care

*Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.*

## How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

## What Is Covered

### Reasonable Treatment

All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

## Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

**Note:** *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of \$3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to \$10 per day, for a maximum of 120 days.

# Extended Health Care

## Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

**Mandatory Generic Substitution:** The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

**Note:** *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

*The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

*Charges for fertility drugs are limited to a maximum of \$15,000 per lifetime.*

# Extended Health Care

## Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist (*when recommended in writing by the attending physician*), naturopath, speech therapist, clinical psychologist, to a maximum of **\$550 per practitioner, per calendar year**.

**Note:** *Services for licensed chiropractor include up to \$50 for x-rays per calendar year.*

## Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **\$550 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

## Medical Services & Supplies

*For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.*

# Extended Health Care

## Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

## Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

# Extended Health Care

## Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of \$400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of \$300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$250 per lifetime.

# Extended Health Care

## Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

## Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

## Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

## Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

# Extended Health Care

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Extended Health Care

## How To Claim Extended Health Care Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply,
  - an item-by-item list of the charges, and
  - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.



## Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Extended Health Care

## To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

**Note:** *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

# Extended Health Care

## What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# LONG TERM DISABILITY

*Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.*

## How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days**.

## Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **75% of your regular monthly earnings, to a maximum of \$4,000 per month**.

*To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

# Long Term Disability

## Coordination With Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability gross earnings.

Any disability income benefit payments you receive under the plan are taxable.

## Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

# Long Term Disability

## When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

## Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

# Long Term Disability

## What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

# Life Insurance

*Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.*

## **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.



# Life Insurance

## Benefits Provided

### Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings
<b>Notes:</b> All amounts of basic term and additional term insurance are rounded upward to the nearest \$1,000. Regardless of which Option you select, the total amount of coverage cannot exceed \$600,000. Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.		

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan only, for a benefit equal to 150% of your annual earnings (Option 1). To enroll in any of the plan Options available which include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

# Life Insurance

## Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of \$10,000 to a maximum of \$250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of \$10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

## Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (**Note:** For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option).

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (**Note:** If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

# Life Insurance

## Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

# Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026
30 - 39	\$0.069	\$0.035	\$0.054	\$0.032
40 - 49	\$0.187	\$0.094	\$0.113	\$0.069
50 - 59	\$0.615	\$0.307	\$0.312	\$0.187
60 – 64	\$1.200	\$0.599	\$0.653	\$0.390
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

## When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends,
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(**NOTE:** If your employment ends due to retirement on Early pension, you will continue to be insured for a reduced Retirement Life Insurance benefit — refer to the sub-section, *Retirement Life Insurance*.)

# Life Insurance

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

## Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first).

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

*Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

# Life Insurance

## Conversion Privilege

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

***<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).***

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

# Life Insurance

## Early Retirement Life Insurance

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit until age 65 — based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page — if you retire prior to age 65 under an Early Retirement.

# Life Insurance

Classification	Amount of Early Retirement Life Insurance (Terminates At Age 65)
<b>A.</b> If you retire prior to age 65 with less than 10 Years of Service in this Plan	\$2,000
<b>B.</b> If you retire prior to age 65 and you were not insured under the Superseded Plan* but were hired prior to June 16, 1989 and retire with 10 or more Years of Service in this Plan <b>OR</b> if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
<b>C.</b> If you retire prior to age 65 and were insured under the Superseded Plan*:  <b>1.</b> If at <b>any time</b> you elected coverage under Options 2, 3 or 4;  <b>2.</b> If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or  <b>3.</b> If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	Amount will be determined in accordance with provision B above  50% of your final annual earnings  70% of the amount of coverage you were insured for immediately prior to your retirement date
<b>D.</b> If were hired on or after June 16, 1989 and you retire prior to age 65 with 10 or more Years of Service in this Plan	\$10,000

## **Notes**

All amounts of retirement life insurance are rounded upward to the nearest \$1.00.

*\*Superseded Plan* means the prior life insurance plan which this Plan replaced effective March 1, 1980.

*Years of Service* means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

Early Retirement Life Insurance coverage ceases on the date you attain age 65.



# Life Insurance

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

## **What's Not Covered**

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.

# Supplementary Life Insurance

*The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.*

## How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Available

Supplementary life insurance coverage is available in **multiples of \$10,000, to a maximum of \$250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

**(Note:** All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of \$600,000.)

# Supplementary Life Insurance

## Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

# Supplementary Life Insurance

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

*Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

## Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

***<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).***

# **Supplementary Life Insurance**

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

## **What's Not Covered**

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Group Home & Automobile Insurance Program

*The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.*

## How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program\*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is second-to-none in the Canadian insurance marketplace.

## Products Available

### Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

### Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

# Group Home & Automobile Insurance Program

## Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

### ***AVIVA Roadside Assist***

This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

### ***Vehicle Anti-theft Device***

Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the anti-theft device.

### ***Six Star Protector***

Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their “Six Star” driving record and their claims free discount in the event they have an accident in the future.

### ***Payment Options***

- Multi-pay plans, or, monthly payment plan with no interest or service fees.

### ***Hours Of Operation***

- Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

# Group Home & Automobile Insurance Program

## How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at [www.avivacanada.com](http://www.avivacanada.com) (click on Traders - password: grquote).

*\* Administered by Alternative Risk Services Inc.*





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# **The MEARIE Group Employee Benefit Program**



## **Employee Benefit Booklet**

### **North Bay Hydro Union Employees**

**Prepared: April 2020**

## ***Notice of Disclaimer***

***This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.***

***The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.***

***Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.***

*This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.*

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*Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.*

*Your disability and life plans are insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.*

### ***Need help?***

*Any questions you have about your benefit program may be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, extension 5330.*

*For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at [www.greatwestlife.com](http://www.greatwestlife.com).*

# General Information

## Enrolling In The Benefit Program

### Who Can Enroll

If you are an active permanent full-time employee under the age of 65, you are first eligible to enroll in all benefit plans, with the exception of the Life Insurance plan, on the date your employment begins. You are eligible to enrol in the Life Insurance plan on the date you complete six (6) months of continuous employment with your employer.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### *Spouse*

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### *Dependent Children*

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

# General Information

## When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

# General Information

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65, or
- the date the group plan is cancelled.

### Please note:

***Survivor benefits are not available under the extended healthcare benefit. Survivor benefits are available under the dental care benefit – to surviving dependents of ACTIVE employees only – according to the plan provisions outlined in this benefit booklet.***

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

# General Information

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

## When You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire prior to your 65th birthday, but on or after your 55th birthday, and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire under an Early Retirement through OMERS, you will also qualify for a reduced amount of life insurance until you reach age 65. Coverage details are provided in the Life Insurance section of this handbook.



# Dental Care

*Your dental care plan has been developed to help you and your family maintain good dental health.*

## How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

## What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

# Dental Care

**The plan provides 100% reimbursement for the following basic dental services:**

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Maximum Benefit**

No overall maximum benefit applies for basic dental services.

# Dental Care

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Dental Care

## How To Claim Dental Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

## Dental Care

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

### **OR**

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Dental Care

## What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Dental Care

## Extended Benefit For Surviving Dependents of Active Employees

If you should die while insured under this plan as an **active** employee of North Bay Hydro, **dental coverage** will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

**NOTE: This provision does not apply if you are insured for dental coverage as a retired employee; in such case, coverage ceases upon your death.**

# Extended Health Care

*Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.*

## How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

## What Is Covered

### Reasonable Treatment

All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

## Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

**Note:** *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of \$3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to \$10 per day, for a maximum of 120 days.



# Extended Health Care

## Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

**Mandatory Generic Substitution:** The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

**Note:** *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

*The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

*Charges for fertility drugs are limited to a maximum of \$15,000 per lifetime.*

# Extended Health Care

## Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist (*when recommended in writing by the attending physician*), naturopath, speech therapist, clinical psychologist, to a maximum of **\$550 per practitioner, per calendar year**.

**Note:** *Services for licensed chiropractor include up to \$50 for x-rays per calendar year.*

## Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **\$550 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

## Medical Services & Supplies

*For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.*

# Extended Health Care

## Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

## Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

# Extended Health Care

## Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of \$400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of \$300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$250 per lifetime.

# Extended Health Care

## Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

## Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

## Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

## Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

# Extended Health Care

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Extended Health Care

## How To Claim Extended Health Care Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply,
  - an item-by-item list of the charges, and
  - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.

## Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*



# Extended Health Care

## To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

**Note:** *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

# Extended Health Care

## What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# LONG TERM DISABILITY

*Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.*

## How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days**.

## Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **75% of your regular monthly earnings, to a maximum of \$4,000 per month**.

*To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

# Long Term Disability

## Coordination With Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability gross earnings.

Any disability income benefit payments you receive under the plan are taxable.

## Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

# Long Term Disability

## When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

## Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

## How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

# Long Term Disability

## What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

# Life Insurance

*Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.*

## **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

# Life Insurance

## Benefits Provided

### Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings
<b>Notes:</b> All amounts of basic term and additional term insurance are rounded upward to the nearest \$1,000. Regardless of which Option you select, the total amount of coverage cannot exceed \$600,000. Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.		

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan only, for a benefit equal to 150% of your annual earnings (Option 1). To enroll in any of the plan Options available which include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.



# Life Insurance

## Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of \$10,000 to a maximum of \$250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of \$10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

## Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (**Note:** For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option).

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (**Note:** If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

# Life Insurance

## Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

# Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026
30 - 39	\$0.069	\$0.035	\$0.054	\$0.032
40 - 49	\$0.187	\$0.094	\$0.113	\$0.069
50 - 59	\$0.615	\$0.307	\$0.312	\$0.187
60 – 64	\$1.200	\$0.599	\$0.653	\$0.390
<p><b>Note:</b> <i>Monthly costs shown above reflect those in effect as of January 1st, 2014.</i></p> <p><i>The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.</i></p> <p><i>Monthly costs shown above are subject to applicable taxes.</i></p>				

## When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends,
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(**NOTE:** If your employment ends due to retirement on Early pension, you will continue to be insured for a reduced Retirement Life Insurance benefit — refer to the sub-section, *Retirement Life Insurance*.)

# Life Insurance

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

## Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first).

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

*Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

# Life Insurance

## Conversion Privilege

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

***<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).***

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

# Life Insurance

## Early Retirement Life Insurance

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit until age 65 — based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page — if you retire prior to age 65 under an Early Retirement.

# Life Insurance

Classification	Amount of Early Retirement Life Insurance (Terminates At Age 65)
<b>A.</b> If you retire prior to age 65 with less than 10 Years of Service in this Plan	\$2,000
<b>B.</b> If you retire prior to age 65 and you were not insured under the Superseded Plan* but were hired prior to June 16, 1989 and retire with 10 or more Years of Service in this Plan <b>OR</b> if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
<b>C.</b> If you retire prior to age 65 and were insured under the Superseded Plan*:  <b>1.</b> If at <b>any time</b> you elected coverage under Options 2, 3 or 4;  <b>2.</b> If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or  <b>3.</b> If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	Amount will be determined in accordance with provision B above  50% of your final annual earnings  70% of the amount of coverage you were insured for immediately prior to your retirement date
<b>D.</b> If were hired on or after June 16, 1989 and you retire prior to age 65 with 10 or more Years of Service in this Plan	\$10,000

## **Notes**

All amounts of retirement life insurance are rounded upward to the nearest \$1.00.

*\*Superseded Plan* means the prior life insurance plan which this Plan replaced effective March 1, 1980.

*Years of Service* means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

Early Retirement Life Insurance coverage ceases on the date you attain age 65.

# Life Insurance

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

## **What's Not Covered**

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.



# Supplementary Life Insurance

*The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.*

## How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

## Benefits Available

Supplementary life insurance coverage is available in **multiples of \$10,000, to a maximum of \$250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

**(Note:** All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of \$600,000.)

# Supplementary Life Insurance

## Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<p><b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014.  The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.  Monthly costs shown above are subject to applicable taxes.</p>				

# Supplementary Life Insurance

## Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

*Totally Disabled* means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

## Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

***<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).***

# **Supplementary Life Insurance**

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

## **What's Not Covered**

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

# Group Home & Automobile Insurance Program

*The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.*

## How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program\*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is second-to-none in the Canadian insurance marketplace.

## Products Available

### Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

### Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

# Group Home & Automobile Insurance Program

## Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

### ***AVIVA Roadside Assist***

This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

### ***Vehicle Anti-theft Device***

Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the anti-theft device.

### ***Six Star Protector***

Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their “Six Star” driving record and their claims free discount in the event they have an accident in the future.

### ***Payment Options***

- Multi-pay plans, or, monthly payment plan with no interest or service fees.

### ***Hours Of Operation***

- Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

# Group Home & Automobile Insurance Program

## How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at [www.avivacanada.com](http://www.avivacanada.com) (click on Traders - password: grquote).

*\* Administered by Alternative Risk Services Inc.*



3700 Steeles Avenue West, Suite 1100  
Vaughan, Ontario L4L 8K8  
905.265.5300  
1.800.668.9979  
[www.mearie.ca](http://www.mearie.ca)  
Fax: 905.265.5301 Email: [mearie@mearie.ca](mailto:mearie@mearie.ca)



# **The MEARIE Group Employee Benefit Program**



## **Employee Benefit Booklet**

### **North Bay Hydro Early Retirees**

**Prepared: April 2020**

## ***Notice of Disclaimer***

***This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.***

***The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.***

***Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.***

*This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.*

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*Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.*

*Your life plan is insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**.*

### ***Need help?***

*Any questions you have about your benefit program may be referred to The MEARIE Group, at 1-800-668-9979, extension 5330.*

*For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at [www.greatwestlife.com](http://www.greatwestlife.com).*

# General Information

## Enrolling In The Benefit Program

### Who Can Enroll

If you qualify for early retiree coverage, you are automatically enrolled for all benefits on the date of your retirement.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### *Spouse*

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### *Dependent Children*

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

# General Information

## When Coverage Starts

Coverage for you and your eligible dependents commences on the date you retire.

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

# General Information

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65, or
- the date the group plan is cancelled.

# Dental Care

*Your dental care plan has been developed to help you and your family maintain good dental health.*

## How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

## What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

# Dental Care

**The plan provides 100% reimbursement for the following basic dental services:**

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Maximum Benefit**

No overall maximum benefit applies for basic dental services.



# Dental Care

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Dental Care

## How To Claim Dental Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

## Dental Care

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

### **OR**

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Dental Care

## What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Extended Health Care

*Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.*

## How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

## What Is Covered

### Reasonable Treatment

All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

## Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

**Note:** *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of \$3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to \$10 per day, for a maximum of 120 days.

# Extended Health Care

## Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

**Mandatory Generic Substitution:** The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

**Note:** *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

*The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

*Charges for fertility drugs are limited to a maximum of \$15,000 per lifetime.*

# Extended Health Care

## Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist (*when recommended in writing by the attending physician*), naturopath, speech therapist, clinical psychologist, to a maximum of **\$550 per practitioner, per calendar year**.

**Note:** *Services for licensed chiropractor include up to \$50 for x-rays per calendar year.*

## Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **\$550 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

## Medical Services & Supplies

*For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.*

# Extended Health Care

## Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

## Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*



# Extended Health Care

## Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of \$400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of \$300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$250 per lifetime.

# Extended Health Care

## Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

## Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

## Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

## Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

# Extended Health Care

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Extended Health Care

## How To Claim Extended Health Care Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply,
  - an item-by-item list of the charges, and
  - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.

## Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Extended Health Care

## To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

**Note:** *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

# Extended Health Care

## What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# Retirement Life Insurance

*Your retirement life insurance plan provides you with a basic benefit, according to the Retirement Life Insurance benefit schedule. In the event of your death, the plan pays a benefit to your beneficiary.*

## **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

## **Benefits Provided**

### **Early Retirement Life Insurance**

On the last day of the month in which you retire on pension under an Early Retirement or Total Disability Retirement — whichever occurs first — your basic life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit until age 65 — based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page — if you retire prior to age 65 under an Early Retirement.



# Retirement Life Insurance

Classification	Amount of Early Retirement Life Insurance (Terminates At Age 65)
<b>A.</b> If you retire prior to age 65 with less than 10 Years of Service in this Plan	\$2,000
<b>B.</b> If you retire prior to age 65 and you were not insured under the Superseded Plan* but were hired prior to June 16, 1989 and retire with 10 or more Years of Service in this Plan <b>OR</b> if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
<b>C.</b> If you retire prior to age 65 and were insured under the Superseded Plan*:  1. If at <b>any time</b> you elected coverage under Options 2, 3 or 4;  2. If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or  3. If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	Amount will be determined in accordance with provision B above  50% of your final annual earnings  70% of the amount of coverage you were insured for immediately prior to your retirement date
<b>D.</b> If were hired on or after June 16, 1989 and you retire prior to age 65 with 10 or more Years of Service in this Plan	\$10,000
<p><b><u>Notes</u></b></p> <p>All amounts of retirement life insurance are rounded upward to the nearest \$1.00.</p> <p><i>*Superseded Plan</i> means the prior life insurance plan which this Plan replaced effective March 1, 1980.</p> <p><i>Years of Service</i> means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.</p> <p>Early Retirement Life Insurance coverage ceases on the date you attain age 65.</p>	

# **Retirement Life Insurance**

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.



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1.800.668.9979  
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Fax: 905.265.5301 Email: [mearie@mearie.ca](mailto:mearie@mearie.ca)

# **The MEARIE Group Employee Benefit Program**



## **Employee Benefit Booklet**

**North Bay Hydro  
Other Employees Retired Before June 15, 2005**

**Prepared: April 2020**

## ***Notice of Disclaimer***

***This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.***

***The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.***

***Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.***

*This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.*

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*Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.*

*Your life plan is insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**.*

### ***Need help?***

*Any questions you have about your benefit program may be referred to The MEARIE Group, at 1-800-668-9979, extension 5330.*

*For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at [www.greatwestlife.com](http://www.greatwestlife.com).*

# General Information

## Enrolling In The Benefit Program

### Who Can Enroll

If you qualify for early retiree coverage, you are automatically enrolled for all benefits on the date of your retirement.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### *Spouse*

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### *Dependent Children*

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

# General Information

## When Coverage Starts

Coverage for you and your eligible dependents commences on the date you retire.

## Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.



# General Information

## When Coverage Terminates

Coverage for you and your dependents will end on:

- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date the group plan is cancelled.

# Dental Care

*Your dental care plan has been developed to help you and your family maintain good dental health.*

## How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

## What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

# Dental Care

**The plan provides 100% reimbursement for the following basic dental services:**

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  2. provisional splinting; and
  3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

## **Maximum Benefit**

No overall maximum benefit applies for basic dental services.

# Dental Care

## Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Dental Care

## How To Claim Dental Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

## Dental Care

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

### **OR**

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

# Dental Care

## What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

# Extended Health Care

*Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.*

## How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

## What Is Covered

### Reasonable Treatment

All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

## Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

**Note:** *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of \$3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to \$10 per day, for a maximum of 120 days.



# Extended Health Care

## Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

**Mandatory Generic Substitution:** The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

**Note:** *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

*The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

*Charges for fertility drugs are limited to a maximum of \$15,000 per lifetime.*

# Extended Health Care

## Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist (*when recommended in writing by the attending physician*), naturopath, speech therapist, clinical psychologist, to a maximum of **\$550 per practitioner, per calendar year**.

**Note:** *Services for licensed chiropractor include up to \$50 for x-rays per calendar year.*

## Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **\$550 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

## Medical Services & Supplies

*For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.*

# Extended Health Care

## Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

## Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

# Extended Health Care

## Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of \$400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of \$300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$250 per lifetime.

# Extended Health Care

## Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

## Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

## Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

## Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

## Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

# Extended Health Care

## Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

**By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!**

# Extended Health Care

## How To Claim Extended Health Care Benefits

### With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

*Your plan design determines which online services are available to you.*

Go to [www.greatwestlife.com](http://www.greatwestlife.com) to register.

### **OR**

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply,
  - an item-by-item list of the charges, and
  - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit [www.greatwestlife.com](http://www.greatwestlife.com) to get printed claim forms with your plan information already filled in.

## Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*



# Extended Health Care

## To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

**Note:** *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

# Extended Health Care

## What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

# Retirement Life Insurance

*Your retirement life insurance plan provides you with a basic benefit, according to the Retirement Life Insurance benefit schedule. In the event of your death, the plan pays a benefit to your beneficiary.*

## **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

## **Benefits Provided**

### **Early Retirement Life Insurance**

On the last day of the month in which you retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your basic life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit – based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page.

# Retirement Life Insurance

Classification	Amount of Retirement Life Insurance
<b>A.</b> If you retire with less than 10 Years of Service in this Plan	\$2,000
<b>B.</b> If you were not insured under the Superseded Plan* but were hired prior to June 16, 1989 and retire with 10 or more Years of Service in this Plan <b>OR</b> if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
<b>C.</b> If you were insured under the Superseded Plan*:  <b>1.</b> If at <b>any time</b> you elected coverage under Options 2, 3 or 4;  <b>2.</b> If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or  <b>3.</b> If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	Amount will be determined in accordance with provision B above  50% of your final annual earnings  70% of the amount of coverage you were insured for immediately prior to your retirement date
<b>D.</b> If were hired on or after June 16, 1989 and you retire with 10 or more Years of Service in this Plan	\$10,000
<p><b><u>Notes</u></b>  All amounts of retirement life insurance are rounded upward to the nearest \$1.00.</p> <p><i>*Superseded Plan</i> means the prior life insurance plan which this Plan replaced effective March 1, 1980.</p> <p><i>Years of Service</i> means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.</p>	

# **Retirement Life Insurance**

## **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.



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## **APPENDIX 4-B: ACTUARIAL VALUATION REPORT**



# NORTH BAY HYDRO DISTRIBUTION LTD.

REPORT ON THE ACTUARIAL  
VALUATION OF POST-RETIREMENT  
NON-PENSION BENEFITS

AS AT DECEMBER 31, 2019

JANUARY 5, 2021



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## EXECUTIVE SUMMARY

### Purpose

RSM Canada Consulting LP was engaged by North Bay Hydro Distribution Ltd. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2019. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards ("IFRS") guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits ("IAS 19").

At the request of the Corporation, the results in this report include only the North Bay Hydro Distribution division only. The results of the North Bay Hydro Services division have been excluded from all figures in this report as they were provided separately.

The most recent full valuation was prepared as at December 31, 2016 based on the assumptions chosen by management at that date and in accordance with IAS 19.

The purpose of this valuation is threefold:

- i) To determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2019;
- ii) To determine the defined benefit costs to be recognized for fiscal year 2019; and
- iii) To provide all other pertinent information necessary for compliance with IAS 19.

Note that all monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

Included in the Appendix attached hereto are detailed accounting schedules containing the results of the valuation.

## SECTION A — VALUATION RESULTS

Section A.1 shows the key valuation results compared to previous year's figures projected from the most recent full valuation as well as a breakdown between active and retired individuals and type of benefit.

Section A.2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the health and dental claims cost trend rates by 1% per annum, an increase/decrease in the discount rate by 1% per annum, and an increase/decrease in the retirement age by 2 years for males and females separately.

Section A.3 shows the development of changes in the present value of defined benefit obligation as a result of the re-measurement at December 31, 2019.

## Valuation Results

### Section A.1—Valuation Results

Results from the actuarial valuation as at December 31, 2019 compared to previous year's figures calculated from the most recent extrapolation:

	December 31, 2018	December 31, 2019
<b>Present Value of Defined Benefit Obligation (PV DBO)</b>	<b>4,092,200</b>	<b>4,316,300</b>

	CY 2018	CY 2019
Current Service Cost	68,600	65,400
Interest Cost	143,700	154,500
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>212,300</b>	<b>219,900</b>
Actuarial (Gain)/Loss	(211,200)	264,400
<b>Defined Benefit Cost Recognized In OCI</b>	<b>(211,200)</b>	<b>264,400</b>
<b>Defined Benefit Cost</b>	<b>1,000</b>	<b>484,300</b>

The following table provides results from the actuarial valuation as at December 31, 2019 broken down by active (including LTD) and retired individuals and type of post-retirement non-pension benefit:

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	3,800	661,200	<b>665,000</b>
Health	743,100	2,081,200	<b>2,824,300</b>
Dental	222,900	604,100	<b>827,000</b>
<b>Total</b>	<b>969,800</b>	<b>3,346,500</b>	<b>4,316,300</b>

## Sensitivity Analysis

### Section A.2—Sensitivity Analysis

	Dec. 31, 2019 PV DBO	Difference	% Difference
Base Assumptions	4,316,300		
Cost Trends +1%	4,697,600	381,300	9%
Cost Trends -1%	3,968,700	(329,600)	-8%
Discount Rate +1%	3,901,600	(414,700)	-10%
Discount Rate -1%	4,807,200	490,900	11%
Male Retirement Age +2	4,152,800	(163,500)	-4%
Male Retirement Age -2	4,463,300	147,000	3%
Female Retirement Age +2	4,253,700	(62,600)	-1%
Female Retirement Age -2	4,377,100	60,800	1%

Management's best estimate assumptions are those outlined in *Section C – Summary of Actuarial Method and Assumptions* in this report.

## Development of Changes in the Present Value of Defined Benefit Obligation

### Section A.3—Development of Changes in the Present Value of Defined Benefit Obligation

PV DBO at December 31, 2018	4,092,200
2019 Current Service Cost	65,400
2019 Benefit Payments	(260,200)
2019 Interest Cost	154,500
<b>Expected PV DBO at December 31, 2019</b>	<b>4,051,900</b>
Actuarial (Gain)/Loss at December 31, 2019	264,400
<b>PV DBO at December 31, 2019</b>	<b>4,316,300</b>

The increase indicated above of \$264,400 in the PV DBO from the expected PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Change in composition of active and retiree data (actual experience different from expected)	(123,900)
Change in assumptions:	
Discount Rate	337,200
Claim Cost Trend	41,300
Withdrawal	34,700
Mortality Improvement Table	21,300
H/D Claims Cost	(46,200)
<b>Total Actuarial (Gain)/Loss at December 31, 2019</b>	<b>264,400</b>

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2019 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2019.



## SECTION B — PLAN PARTICIPANTS

Section B.1 sets out the summary information with respect to the plan participants valued in the current valuation compared to those valued in the previous valuation.

Section B.2 reconciles the number of participants in the previous valuation to the number of participants in the current valuation.

## Participation Data

### Section B.1—Participant Data

Membership data as at October 31, 2019 was received from the Corporation and included information such as name, gender, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

The Corporation has indicated that one members' status has been changed from Retired to Deceased between November 1 and December 31. Adjustments have been made to reflect the changes. Although the data provided reflected status and benefit information as at October 31, no other changes in status and other member data occurring from November 1 to December 31 are expected to be material to the valuation results.

We have reviewed the data and compared it to the data used in the previous valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

	December 31, 2016	October 31, 2019
<b>Employee Count</b>		
Male	32	34
Female	14	12
<b>Total</b>	<b>46</b>	<b>46</b>
<b>Employee Average Service</b>		
Male	10.1	10.0
Female	11.5	10.3
<b>Total</b>	<b>10.5</b>	<b>10.1</b>
<b>Retiree (in Receipt of Benefits) Count</b>		
Male	27	24
Female	14	15
<b>Total</b>	<b>41</b>	<b>39</b>



Employee Count as of October 31, 2019				Employee Avg Service as of October 31, 2019		
Age	Male	Female	Total	Male	Female	Total
< 30	5	1	6	3	1	2
30 - 35	9	2	11	8	5	7
36 - 40	5	4	9	10	12	11
41 - 45	3	-	3	9	-	9
46 - 50	7	2	9	9	17	11
51 - 55	2	3	5	13	11	12
56 - 60	3	-	3	30	-	30
61 - 65	-	-	-	-	-	-
66 - 70	-	-	-	-	-	-
71 - 75	-	-	-	-	-	-
> 75	-	-	-	-	-	-
<b>Total</b>	<b>34</b>	<b>12</b>	<b>46</b>	<b>10.0</b>	<b>10.3</b>	<b>10.1</b>

## Participant Reconciliation

### Section B.2—Participation Reconciliation

	Actives	Disabled	Retired
<b>As at Dec. 31, 2016</b>	<b>46</b>	<b>1</b>	<b>43</b>
New Entrants	10	-	-
Actives	-	(1)	7
Terminated	(3)	-	-
Retired	(7)	-	-
Deceased	-	-	(3)
Disabled	1	-	-
No Longer Eligible	(1)	-	(8)
Other	-	-	-
<b>As at Oct. 31, 2019</b>	<b>46</b>	<b>-</b>	<b>39</b>

## SECTION C — SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

### Actuarial Method

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions for discount rates, mortality, and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and,
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

For each employee not yet fully eligible for benefits, the Present Value of the Defined Benefit Obligation (PV DBO) is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

The PV DBO at December 31, 2019 is based on membership data as at October 31, 2019 and management's best estimate assumptions established for calculations as at December 31, 2019.

For health and dental benefits, the Corporation has selected the premium rates charge to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used for 2020 are as follows (the 2017 rates used in the prior valuation are provided for comparison purposes only):

Effective Period	Health Single	Health Family	Dental Single	Dental Family
January 1, 2017 – December 31, 2017	\$ 161.81	\$ 345.64	\$ 37.87	\$ 109.35
January 1, 2020 – December 31, 2020	\$ 190.04	\$ 405.97	\$ 42.55	\$ 122.89

The rates above are at the 100% level and prior to any cost-sharing provisions under the plan.

## Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2019.

### Economic Assumptions

#### Discount Rate

The rate used to discount future benefits is assumed to be 3.10% per annum as of December 31, 2019. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at the time of preparing the valuation.

The assumption used in the previous full valuation was 3.80% per annum as at December 31, 2016, which was subsequently updated to 3.90% per annum at December 31, 2018.

#### Claims Cost Trend Rate

The rates used to project benefit costs into the future were chosen based on a research paper published by the Canadian Institute of Actuaries – *Model of Long-Term Health Care Cost Trends in Canada* - dated March 2018.

The following table provides a sample of the health and dental trend rates used in the valuation and the assumptions used in the previous valuation:

Year	Current Valuation	
	Health	Dental + Vision
2020	4.20%	4.50%
2025	5.30%	5.60%
2030	5.30%	5.30%
2035	4.60%	4.60%
2040 and thereafter	4.00%	4.00%

Year	Previous Valuation	
	Health	Dental
2020	5.56%	4.50%
2021	5.35%	4.50%
2022	5.14%	4.50%
2023	4.93%	4.50%
2024	4.71%	4.50%
2025 and thereafter	4.50%	4.50%

## Demographic Assumptions

### Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon the CIA MI-2017 mortality improvement scale published in 2017.

The mortality improvement assumption has been updated from the CPM Improvement Scale B1-2014, which was used in the previous actuarial valuation for the Corporation.

### Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table:

Age Bucket	Current Valuation	Previous Valuation
18 – 29	3.50%	3.50%
30 – 34	2.00%	2.50%
35 – 39	1.65%	2.15%
40 – 49	1.30%	1.75%
50 – 54	0.95%	1.40%

### Retirement Age

All active employees are assumed to retire at age 57 (or immediately if currently over age 57).

This assumption remains unchanged from the previous valuation.

### Disability

No provision was made for future disability.

This assumption remains unchanged from the previous valuation.

## Other Assumptions

### Family/Single Coverage

The following assumptions were chosen for the current valuation and are unchanged from the previous valuation:

- Coverage Type at Retirement (i.e. family, single) – The employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses

### Expenses and Taxes

For health and dental coverage, the above premium rates are inclusive of expenses and taxes and therefore no additional assumptions regarding expenses is required.

For life coverage, it is assumed that 10% of the accrued benefit obligation reflects the cost of sponsoring and administering the program for life insurance. No additional information is available regarding the costs for the life insurance program.

These assumptions remain unchanged from the previous valuation.

## SECTION D — SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

### Eligibility

All union employees who retired on or before June 13, 2005 and all management employees who retired before 2002 are eligible for lifetime post-retirement life, health, and dental benefits.

All other retiring employees are eligible for post-retirement life, health, and dental benefits until age 65.

### Participant Contributions

The Corporation shall pay 100% of the cost of the post-retirement life, health and dental benefits for the eligible retirees.

### Past Service

Past service is defined as continuous service prior to joining the plan if the participant was employed by a prior local distribution company before joining the Corporation.

### Length of Service

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

## Summary of Benefits

### Life Insurance

Upon retirement, all employees are entitled to post-retirement life insurance benefits, as per the MEARE plan, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
A	Flat \$2,000.	Employee retires with less than 10 years of service in the Plan.
B, C1	50% of final annual earnings, reducing by 2.5% of final annual earnings each year for 10 years, to a final benefit equal to 25% of final annual earnings.  Reduction occurs on the anniversary date of retirement.	Employee retires with 10 or more years of service in the Plan and was hired before June 16, 1989.  or  Employee was insured under the superseded plan and elected coverage under option 2, 3, or 4, or employee was not insured under the superseded plan.
C2	50% of final annual earnings.	Employee was insured under the superseded plan and was hired on or after May 1, 1967 and elected coverage under option 1 only.
C3	70% of final amount insured under the life plan immediately prior to retirement.	Employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under option 1 only.
D	Flat \$10,000.	Employee was hired on or after June 16, 1989, and retires with 10 or more years of service in the Plan.

### Health and Dental Benefits

Upon retirement, all employees are entitled to post-retirement health, and dental benefit coverage.

A detailed description of the health and dental benefits covered under the post-retirement non-pension benefits plan can be found in benefit information booklets provided to employees.



## ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by North Bay Hydro Distribution Ltd. (the "Corporation") as at December 31, 2019, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known legal and constructive obligations with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events after the date of completing this valuation that would have a significant effect on the valuation results contained herein.

The latest date on which the next actuarial valuation should be performed is December 31, 2022. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

**RSM CANADA CONSULTING LP**



**Stanley Caravaggio, FSA, FCIA**  
Director

Toronto, Ontario

January 5, 2021

## SECTION E — EMPLOYER CERTIFICATION

### Post-Retirement Non-Pension Benefit Plan of North Bay Hydro Distribution Ltd. Actuarial Valuation as at December 31, 2019

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of North Bay Hydro Distribution Ltd. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) The membership data summarized in Section B is accurate and complete;
- ii) The assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) The summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2019.

#### NORTH BAY HYDRO DISTRIBUTION LTD.

JAN. 4/21  
Date

  
Signature

MELISSA CASSON  
Name

VP-FINANCE  
Title



## APPENDIX — DETAILED ACCOUNTING SCHEDULES



**North Bay Hydro Distribution Ltd.**  
**Estimated Benefit Expense (IAS 19)**  
**Distribution**

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1	3.90%	3.10%	3.10%	3.10%
Discount Rate at December 31	3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31	5.78%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.50%	4.70%	4.90%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***

**A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet**

Net Defined Benefit Liability/(Asset) as at January 1	4,092,159	4,316,341	4,309,097	4,291,170
Defined Benefit Cost Recognized in Income Statement	219,941	253,157	246,525	227,929
Defined Benefit Cost Recognized in Other Comprehensive Income	264,408	-	-	-
Benefits Paid by the Employer	(260,166)	(260,401)	(264,452)	(253,349)
<b>Net Defined Benefit Liability/(Asset) as at December 31</b>	<b>4,316,341</b>	<b>4,309,097</b>	<b>4,291,170</b>	<b>4,265,751</b>

**B. Determination of Defined Benefit Cost**

**B1. Determination of Defined Benefit Cost Recognized in Income Statement**

Current Service Cost	65,420	123,386	117,042	98,830
Interest Cost	154,521	129,770	129,483	129,099
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>219,941</b>	<b>253,157</b>	<b>246,525</b>	<b>227,929</b>

**B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income**

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	332,288	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	56,063	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(123,943)	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-
<b>Defined Benefit Cost Recognized in Other Comprehensive Income</b>	<b>264,408</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Defined Benefit Cost</b>	<b>484,349</b>	<b>253,157</b>	<b>246,525</b>	<b>227,929</b>

**C. Change in the Present Value of Defined Benefit Obligation**

Present Value of Defined Benefit Obligation as at January 1	4,092,159	4,316,341	4,309,097	4,291,170
Current Service Cost	65,420	123,386	117,042	98,830
Interest Cost	154,521	129,770	129,483	129,099
Benefits Paid	(260,166)	(260,401)	(264,452)	(253,349)
Net Actuarial Loss/(Gain)	264,408	-	-	-
<b>Present Value of Defined Benefit Obligation as at December 31</b>	<b>4,316,341</b>	<b>4,309,097</b>	<b>4,291,170</b>	<b>4,265,751</b>

\* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2016, with adjustments to the data and discount rate at December 31, 2018.

\*\* Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

\*\*\* Based on expected benefits to be paid to those eligible for benefits.



**North Bay Hydro Distribution Ltd.**  
**Estimated Benefit Expense (IAS 19)**

	Distribution	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022
Discount Rate at January 1		3.90%	3.10%	3.10%	3.10%
Discount Rate at December 31		3.10%	3.10%	3.10%	3.10%
Health Benefit Cost Trend Rate at December 31		5.78%	4.20%	4.40%	4.60%
Dental Benefit Cost Trend Rate at December 31		4.50%	4.50%	4.70%	4.90%
Long Term Health and Dental Benefit Cost Trend Rate		4.50%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate		2025	2040	2040	2040
Assumed Increase in Employer Contributions		actual	expected ***	expected ***	expected ***

**D. Calculation of Component Items**

<b>Interest Cost</b>					
Present Value of Defined Benefit Obligation as at January 1		4,092,159	4,316,341	4,309,097	4,291,170
Benefits Paid		(130,083)	(130,200)	(132,226)	(126,674)
Accrued Benefits		3,962,076	4,186,141	4,176,871	4,164,496
Interest Cost		154,521	129,770	129,483	129,099
<b>Expected Present Value of Defined Benefit Obligation as at December 31</b>					
Present Value of Defined Benefit Obligation as at January 1		4,092,159	4,316,341	4,309,097	4,291,170
Current Service Cost		65,420	123,386	117,042	98,830
Benefits Paid		(260,166)	(260,401)	(264,452)	(253,349)
Interest Cost		154,521	129,770	129,483	129,099
Expected Present Value of Defined Benefit Obligation as at December 31		4,051,934	4,309,097	4,291,170	4,265,751

**E. Net Actuarial Loss/(Gain)**

<b>Net Actuarial Loss/(Gain) as at December 31</b>					
Expected Present Value of Defined Benefit Obligation		4,051,934	4,309,097	4,291,170	4,265,751
Actual Present Value of Defined Benefit Obligation		4,316,341	4,309,097	4,291,170	4,265,751
Net Actuarial Loss/(Gain) as at December 31		264,408	-	-	-

\* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2016, with adjustments to the data and discount rate at December 31, 2018.

\*\* Projected CY 2020, 2021, and 2022 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

\*\*\* Based on expected benefits to be paid to those eligible for benefits.

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## Memorandum

**Date:** March 10, 2020  
**To:** Melissa Casson (North Bay Hydro Distribution Ltd.)  
**From:** Jamie Wong, Stanley Caravaggio (RSM Canada Consulting LP)  
**Copy:** Erica Zhao (RSM Canada Consulting LP)  
**Subject:** North Bay Hydro Distribution Ltd. – Liability for Accumulating Non-Vested Sick Leave Benefits under International Financial Reporting Standards (IFRS) as at December 31, 2019

This memo outlines the calculation of the estimated amount in future payments to be made as a result of North Bay Hydro Distribution Ltd.'s ("the Corporation's") employees' unused sick leave bank hours as at December 31, 2019. Our analysis is meant to assist the Corporation with: a) developing utilization and accrual assumptions based on employees' sick leave bank usage experience, and b) developing a method to estimate the future payments that are expected to be made as a result of employees' sick leave banks. These estimates are prepared to allow the Corporation's management to assess its accumulating non-vested sick leave benefits liability under IAS 19 standards for financial statement reporting purposes for the fiscal period ending December 31, 2019.

## RESULTS

The estimated value of future payments to be made as a result of the Corporation's employees' unused sick leave bank hours as at December 31, 2019 is as follows (including the value calculated at December 31, 2018 and communicated in our previous extrapolation memo dated January 21, 2019 for comparison purposes):

	December 31, 2019	December 31, 2018
Union	\$170,600	\$140,600
Management	<u>\$49,800</u>	<u>\$ 23,900</u>
Total	\$220,400	\$164,500

The increase in the total values shown above of \$56,000 from December 31, 2018 to December 31, 2019 is a result of the following changes:

- A change in the discount rate assumption (an increase of approximately \$16,900)
- Deviations between actual and expected experience with respect to movements in the demographic data and sick leave bank hours for employees since the prior estimates were completed (an increase of approximately \$59,100)
- A change in the withdrawal rate assumption (an increase of approximately \$9,600)

- A change in the sick leave utilization and accrual assumptions (a decrease of approximately \$4,500)
- A change in the salary increase rate assumptions (a decrease of approximately \$25,100)

The calculations have been performed on a present value basis. A description of the data, methodology and assumptions used in our calculations is provided in the following sections.

#### DATA

Seriatim employee data as at October 31, 2019 was received from the Corporation via e-mail and included information such as current salary and current sick leave banks for active employees, along with sick leave utilization information since January 1, 2014. Although we have performed some consistency and reliability checks on the data, we are relying on the Corporation to confirm the accuracy, and completeness of the data provided.

Summary statistics for the participant data as well as a reconciliation in participant data from the previous valuation data, which was compiled as at December 31, 2016, are as follows:

#### Participant Data

		October 31, 2019	December 31, 2016
Total valued participants	Union Management	35 10	37 10
Total annual pay	Union Management	\$ 2,803,400 \$ 1,076,800	\$ 2,743,000 \$ 1,065,500
Average annual pay	Union Management	\$ 80,100 \$ 107,700	\$ 74,100 \$ 106,600
Average age	Union Management	39.4 45.8	41.4 48.1
Average service (years)	Union Management	10.5 8.5	12.9 14.4



### Participant Reconciliation

	<u>Actives</u>
As at December 31, 2018	35
New Entrants <sup>1)</sup>	9
Active	-
Disabled	1
Terminated	-
Deceased	-
Retired	-
No Longer Eligible	-
As at October 31, 2019	<u>45</u>

<sup>1)</sup> This includes the new entrants in 2019 as well as those that entered the plan in 2017 and 2018 that were not captured in the most recent extrapolation for the Corporation.

### METHODOLOGY

Our calculations have been done on a seriatim basis (i.e. by employee). We have separated the employee data at the date of the calculation into two groups for the purposes of reviewing the utilization experience and for our calculations: Management and Union. Our results use present value calculations and therefore incorporate the time value of money. The liability figure for each employee classification is equal to the sum of the liability figure for each employee in the group.

We have used a stochastic model to value the non-vested sick leave liability. With this approach, future utilization hours (and therefore sick leave bank levels) are simulated for each member from the valuation date until the assumed retirement age. The simulation is performed 10,000 times, and the results are averaged to obtain the 'mean' or expected liability. The different scenarios are generated based on the probability distribution for sick leave utilization described further in the section below on sick leave utilization assumptions.

Non-vested sick leave benefits account for usage of accrued sick leave bank hours by employees before retirement, death, or termination, as applicable.

For clarity, our estimates are based on a projection of the value of employees' future sick leave bank usage as a result of employees exceeding the annual accrued sick leave hours available to them during the year and having to utilize sick leave bank hours which have been accrued on or before the valuation date of December 31, 2019. As such, future accruals of sick leave hours are not included in our valuation as of December 31, 2019 (in other words, future projected sick leave hours are only valued in so far as they exceed the accrued hours for a year and require the use of bank hours accrued prior to the valuation date).

## ASSUMPTIONS

The assumptions used in our calculations are listed below and are based on management's best estimates of future experience. Where applicable, the assumptions are consistent with those chosen by management for the actuarial valuation of post-retirement non-pension benefits as at December 31, 2019. The results of which are communicated under a separate report.

- Salary Rate Increase: 2.00% per annum for the next three years up to 2022 and 3.00% per annum thereafter
- Discount Rate: 3.10% per annum
- Mortality:
  - Canada Pensioners Mortality Table Public Sector (CPM2014 PUBL)
  - Canada Pensioners Mortality Improvement Scale (MI-2017)
- Retirement Age: 57 (or immediately retirement for current actives over age 57)
- Withdrawal Rate:

Age Bucket	Withdrawal Rates
18 – 29	3.50%
30 – 34	2.00%
35 – 39	1.65%
40 – 49	1.30%
50 – 54	0.95%

The following assumptions have been chosen for the purposes of projecting the future sick leave utilization for employees. These levels are based on the Corporation's experience date of the utilization of sick leave hours from 2014 to 2019 for all employees. We note that the utilization experience for one prior employee was removed based on the Corporation's direction, due to management's understanding that the employee's experience will not be reflective of the future experience with respect to sick leave bank hours.

	Current Analysis	
	Percentage of Employees	Average Utilization (hours)
Employees Using Bank Hours	5.9%	338
Employees Not Using Bank Hours	94.1%	30

To project future liabilities for sick leave benefits, a probability distribution is used for future utilization sick leave hours. This distribution assigns likelihoods to utilization levels, and is the basis for the projection. For example, the assumption above indicates that 5.9% of the time, an employee will use 338 sick leave hours in a year, and 94.1% of the time, an employee will use 30 sick leave hours in a year.

The utilization assumptions above are exclusive of the annual accrual of sick leave hours, which is determined separately. The annual accrual assumptions chosen are as follows.

Group	Annual Accrual of Sick Leave Hours
Employees Working 8 Hours a Day	144
Employees Working 7 Hours a Day	126

## **APPENDIX 4-C : PURCHASING POLICY**

**9.4.01 Factors effecting choice of suppliers:**

- Company support and assistance
- North Bay Representative
- Established Engineering preference
- Established quality and delivery
- Ability to respond to emergency situations

**9.4.02 Stores Items**

- North Bay Hydro will tender and purchase standard stores items through the EDA District purchasing consortium. This consortium tenders for equipment components on an annual basis.
- Minimum/Maximum inventory levels to be established for Stores items with re-order when minimum levels are reached

**9.4.03 Non Stores Items**

- Non stores/Non inventory items or services used repeatedly subject to annual quotation process from three vendors when possible.

**9.4.02 Approval for Requisitions:**

***Non Stores and Stores Inventory Purchases***

- All requisitions for purchases must be signed by the appropriate Department Supervisor
- Requisitions for stores inventory should be initiated from min/max setup in stores
- Requisitions for purchases over \$1,000 and less than \$3,000 must be approved by the Operations Supervisor, Manager, Engineering or the Manager, Finance
- Requisitions for purchases over \$3,000 and less than \$5,000 must be approved by the Manager, Finance
- Requisitions for inventory purchases over \$5,000 must be approved by Chief Operating Officer/Secretary

9.4.03

**Prices and Conditions will be obtained by:**

- Sealed tenders for all larger line vehicles
- Letter Quotations for smaller general purpose vehicles  
i.e. half tons/vans
- Sealed tenders for totals over \$40,000
- Letter quotations where cost under between \$5,000 to \$40,000
- Phone quotations where cost under \$5000
- Specialized consultant used by the company on a regular basis (year to year) shall be retained based on quoted hourly rates obtained at the start of each budget year. If this is not possible and estimated quote shall be provided for the work, the board shall be made aware of the contract and staff shall monitor the overall fee as it relates to the estimate

9.4.05

**Criteria for approval will consider:**

- Lowest price
- Best value (lifetime costs)
- North Bay Representative - local
- Technical and maintenance support of Vendor
- Country of manufacturer with Canadian preference
- Engineering preference when necessary

9.4.06

**Conflict of Interest:**

- All Request for Proposals, tender, etc. shall include a clause in regards to conflict of interest similar to the noted below
- "Each Proponent must include in its submission, confirmation that the proponent does not or will not have any conflict of interest (actual or potential) in offering its submission, a conflict is considered one or all of the following:
  - An unfair advantage over other Proponents during the procurement process, thereby rendering the process non-competitive and unfair (e.g. Proponent has confidential information no available to other Proponents);
  - Activities, relationships or contracts which render the Proponent unable or potentially unable to perform the duties and obligations required of the Proponent if awarded the Contract: or
  - Activities, relationships or contracts which impair or potentially impair the Proponent's judgement in performing the Proponent's duties and obligation under the Contract."

9.4.07

**Waiver:**

Management has the right to waive this policy in emergency situations or to take advantage of unique situations where favourable pricing is available for a limited time.

This section is the only addition for Board approval

**APPENDIX 4-D : BOARD'S INCOME TAX/PILS WORKFORM FOR 2021 FILERS**

# Income Tax/PILs Workform for 2021 Filers

Version 1.20

Utility Name	North Bay Hydro Distribution Limited - North Bay service territory
Assigned EB Number	EB-2020-0043
Name and Title	Micheal Roth - Regulatory Manager
Phone Number	705-474-8100 xt: 263
Email Address	mroth@northbayhydro.com
Date	31-Dec-20
Last COS Re-based Year	2015

Note: Drop-down lists are shaded blue; Input cells are shaded green.

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*

Instructions

Purpose

The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Tab S1 Integrity Checks must be completed after the completion of the PILs calculation in this workbook.

Methodology

To calculate the PILs for the Test Year:

- 1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
- 2) input the balances for the Bridge Year and the Test Year.

Inputs should include:

- non-deductible expenses (Schedule 1 - B1 and T1)
- loss carryforward (Schedule 4 - B4 and T4)
- capital cost allowance (Schedule 8 - B8 and T8)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes

Tabs H0 to H13 relate to the Historical Year.

Tabs B0 to B13 relate to the Bridge Year.

Tabs T0 to T13 relate to the Test Year.

The amounts on tabs H0 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.



Ontario Energy Board

# Income Tax/PILs Workform for 2021 Filers

- [1. Info](#)
- [S. Summary](#)
- [A. Data Input Sheet](#)
- [B. Tax Rates & Exemptions](#)

## Historical Year

- [H0 - PILs, Tax Provision Historical Year](#)
- [H1 - Adj. Taxable Income Historical Year](#)
- [H4 - Schedule 4 Loss Carry Forward Historical Year](#)
- [H8 - Schedule 8 Historical](#)
- [H13 - Schedule 13 Tax Reserves Historical](#)

## Bridge Year

- [B0 - PILs, Tax Provision Bridge Year](#)
- [B1 - Adj. Taxable Income Bridge Year](#)
- [B4 - Schedule 4 Loss Carry Forward Bridge Year](#)
- [B8 - Schedule 8 CCA Bridge Year](#)
- [B13 - Schedule 13 Tax Reserves Bridge Year](#)

## Test Year

- [T0 PILs, Tax Provision Test Year](#)
- [T1 Taxable Income Test Year](#)
- [T4 Schedule 4 Loss Carry Forward Test Year](#)
- [T8 Schedule 8 CCA Test Year](#)
- [T13 Schedule 13 Reserve Test Year](#)





# Income Tax/PILs Workform for 2021 Filers

No inputs required on this worksheet.

## Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	-2,542,949
Test Year - Payments in Lieu of Taxes (PILs)	T0	-
Test Year - Grossed-up PILs	T0	-
Effective Federal Tax Rate	T0	0.0%
Effective Ontario Tax Rate	T0	0.0%
 <u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	T1	2,542,949
Taxable Income	T1	0
Difference	calculated	-2,542,949 as above

# Income Tax/PILs Workform for 2021 Filers

## Integrity Checks

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

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application	Y	
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8.	Y	
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the CCA Schedule 8 for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	Y	N/A - no loss carry-forwards from 2019 tax return
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Y	
7	CCA is maximized even if there are tax loss carry-forwards	Y	
8	Other post-employment benefits and pension expenses that are added back on Schedule 1 to reconcile accounting income to net income for tax purposes agree with the OM&A analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and actuarial valuations.	Y	
9	The income tax rate used to calculate the tax expense is consistent with the utility's actual tax facts and evidence filed in the application	Y	

# Income Tax/PILs Workform for 2021 Filers

		Test Year	Bridge Year	
<b>Rate Base</b>		<b>\$ 76,227,486</b>	<b>\$ 75,773,859</b>	
<b>Return on Ratebase</b>				
Deemed ShortTerm Debt %	4.00%	T \$ 3,049,099	$W = S * T$	
Deemed Long Term Debt %	56.00%	U \$ 42,687,392	$X = S * U$	
Deemed Equity %	40.00%	V \$ 30,490,994	$Y = S * V$	
Short Term Interest Rate	1.75%	Z \$ 53,359	$AC = W * Z$	
Long Term Interest	2.48%	AA \$ 1,059,464	$AD = X * AA$	
<b>Return on Equity (Regulatory Income)</b>	8.34%	AB \$ 2,542,949	$AE = Y * AB$	<a href="#">T1</a>
<b>Return on Rate Base</b>		<b>\$ 3,655,772</b>	$AF = AC + AD + AE$	

## Questions that must be answered

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?  
*If Yes, please describe the tax treatment in the manager's summary.*
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historical Year	Bridge Year	Test Year
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	Yes	Yes
No	No	No
Yes	Yes	Yes
No	No	No

# Income Tax/PILs Workform for 2021 Filers

**Tax Rates  
Federal & Provincial  
As of MMM XX, 2019**
**Federal income tax**

General Corporate Rate  
Federal Tax Abatement  
Adjusted Federal Rate

Rate Reduction

**Federal Income Tax**
**Ontario Income Tax**
**Combined Federal and Ontario**
**Federal & Ontario Small Business**

Federal Small Business Limit  
Ontario Small Business Limit

Federal Small Business Rate

Ontario Small Business Rate

	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
General Corporate Rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal Tax Abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate Reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
<b>Federal Income Tax</b>	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
<b>Ontario Income Tax</b>	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
<b>Combined Federal and Ontario</b>	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
<b>Federal Small Business Limit</b>	500,000	500,000	500,000	500,000	500,000	500,000	500,000
<b>Ontario Small Business Limit</b>	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Federal Small Business Rate	11.00%	10.50%	10.50%	10.00%	9.00%	9.00%	9.00%
Ontario Small Business Rate	4.50%	4.50%	4.50%	3.50%	3.50%	3.20%	3.20%

**Notes**

- The Ontario Energy Board's proxy for taxable capital is rate base.
- Regarding the small business deduction, if applicable,
  - If taxable capital exceeds \$15 million, the small business rate will not be applicable.
  - If taxable capital is below \$10 million, the small business rate would be applicable.
  - If taxable capital is between \$10 million and \$15 million, the appropriate small business rate will be calculated.



# Income Tax/PILs Workform for 2021 Filers

## PILs Tax Provision - Historical Year

**Note: Input the actual information from the tax returns for the historical year.**

**Regulatory Taxable Income**  
**Combined Tax Rate and PILs**

Ontario Tax Rate (Maximum 11.5%)

Federal tax rate (Maximum 15%)

Combined tax rate (Maximum 26.5%)

11.50%

15.00%

**B**

**C**

[H1](#)

**Wires Only**

\$ 463,130 **A**

26.50% **D = B+C**

**Total Income Taxes**

Investment Tax Credits

Miscellaneous Tax Credits

**Total Tax Credits**

\$ 122,729 **E = A \* D**

\$ 2,000 **F**

-\$ 2,396 **G**

-\$ 396 **H = F + G**

**Corporate PILs/Income Tax Provision for Historical Year**

\$ 123,125 **I = E - H**

# Income Tax/PILs Workform for 2021 Filers

## Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
<b>Income before PILs/Taxes</b>	<b>(A + 101 + 102)</b>	2,666,455		2,666,455
<b>Additions:</b>				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	2,981,841		2,981,841
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	90,272		90,272
Charitable donations and gifts from Schedule 2	112	33,458		33,458
Taxable capital gains from Schedule 6	113			0
Political contributions	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	15,179		15,179
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements – balance at the end of the year	126			0
Soft costs on construction and renovation of buildings	127			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
<b>Other additions</b>				
Interest Expensed on Capital Leases	295			0
Realized Income from Deferred Credit Accounts	295			0
Pensions	295			0
Non-deductible penalties	295			0
Unrealized losses	295	681,401		681,401
Post employment benefits	295	275,841		275,841
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total Additions</b>		<b>4,077,992</b>	<b>0</b>	<b>4,077,992</b>
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401			0
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	4,788,912		4,788,912
Terminal loss from Schedule 8	404			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306	605,148		605,148
<b>Other deductions</b>				
Interest capitalized for accounting deducted for tax	395			0
Capital Lease Payments	395			0
Non-taxable imputed interest income on deferral and variance accounts	395			0
Deferred Rev Amortization + Post Empl Ben Paid	395	353,537		353,537
Reg Assets + Net Movement	395	442,715		442,715
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total Deductions</b>		<b>6,190,312</b>	<b>0</b>	<b>6,190,312</b>
<b>Net Income for Tax Purposes</b>		<b>554,135</b>	<b>0</b>	<b>554,135</b>
Charitable donations from Schedule 2	311	68,531		68,531
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331	22,474		22,474
Net capital losses of previous tax years from Schedule 4	332			0
Limited partnership losses of previous tax years from Schedule 4	335			0
<b>TAXABLE INCOME</b>		<b>463,130</b>	<b>0</b>	<b>463,130</b>

HQ

# Income Tax/PILs Workform for 2021 Filers

## Schedule 4 Loss Carry Forward - Historical

### Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)



# Income Tax/PILs Workform for 2021 Filers

### Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	\$ 22,205,385		\$ 22,205,385	B8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	\$ 1,574,612		\$ 1,574,612	B8
2	Distribution System (acq'd pre 1988)			\$ -	B8
3	Buildings (acq'd pre 1988)			\$ -	B8
6	Certain Buildings; Fences			\$ -	B8
8	General Office Equipment, Furniture, Fixtures	\$ 349,404		\$ 349,404	B8
10	Motor Vehicles, Fleet	\$ 678,024		\$ 678,024	B8
10.1	Certain Automobiles			\$ -	B8
12	Computer Application Software (Non-Systems)			\$ -	B8
13 <sub>1</sub>	Lease # 1			\$ -	B8
13 <sub>2</sub>	Lease # 2			\$ -	B8
13 <sub>3</sub>	Lease # 3			\$ -	B8
13 <sub>4</sub>	Lease # 4			\$ -	B8
14	Limited Period Patents, Franchises, Concessions or Licences			\$ -	B8
14.1	Eligible Capital Property (acq'd pre 2017)			\$ -	B8
14.1	Eligible Capital Property (acq'd post 2016)			\$ -	B8
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	\$ 273,659		\$ 273,659	B8
42	Fibre Optic Cable			\$ -	B8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			\$ -	B8
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			\$ -	B8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	\$ 106		\$ 106	B8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			\$ -	B8
47	Distribution System (acq'd post Feb 22/05)	\$ 40,910,243		\$ 40,910,243	B8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 203,966		\$ 203,966	B8
95	CWIP	\$ 1,777,367		\$ 1,777,367	B8
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
	SUB-TOTAL - UCC	67,972,766	0	67,972,766	



# Income Tax/PILs Workform for 2021 Filers

## Schedule 13 Tax Reserves - Historical

### Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
<b>Tax reserves not deducted for accounting purposes</b>			
Reserve for doubtful accounts ss. 20(1)(l)	131,556		131,556
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
Employee Future Benefits	4,316,342		4,316,342
Sick Leave	220,400		220,400
<b>Total</b>	<b>4,668,298</b>	<b>0</b>	<b>4,668,298</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts	131,556		131,556
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
- Short & Long-term Disability			0
- Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
Employee Future Benefits	4,316,342		4,316,342
Sick Leave	220,400		220,400
<b>Total</b>	<b>4,668,298</b>	<b>0</b>	<b>4,668,298</b>

[B13](#)



# Income Tax/PILs Workform for 2021 Filers

## PILS Tax Provision - Bridge Year

### Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	-\$ 233,374	11.5%	<b>B</b>
Federal (Max 15%)	15.0%	15.0%	-\$ 304,401	15.0%	<b>C</b>
Combined effective tax rate (Max 26.5%)					

### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

### Total Tax Credits

### Corporate PILs/Income Tax Provision for Bridge Year

#### Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

### Wires Only

Reference

[B1](#)

-\$ 2,029,343 **A**

26.50% **D = B + C**

\$ - **E = A \* D**

**F**

**G**

\$ - **H = F + G**

\$ - **I = E - H**



# Income Tax/PILs Workform for 2021 Filers

## Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
<b>Income before PILs/Taxes</b>	<b>(A + 101 + 102)</b>		432,438
<b>Additions:</b>			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		3,230,932
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		47,391
Charitable donations and gifts from Schedule 2	112		15,560
Taxable capital gains	113		
Political contributions	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		18,579
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	4,668,298
Reserves from financial statements- balance at end of year	126	B13	4,646,251
Soft costs on construction and renovation of buildings	127		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
<b>Other Additions</b>			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
Post Employment Benefits	295		184,420
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
<b>Total Additions</b>			<b>12,811,430</b>
<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		



# Income Tax/PILs Workform for 2021 Filers

## Adjusted Taxable Income - Bridge Year

Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	5,502,877
Terminal loss from Schedule 8	404	B8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	4,646,251
Reserves from financial statements - balance at beginning of year	414	B13	4,668,298
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		85,000
<b>Other deductions</b>			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
Other Deductions (Post Employment Benefits Paid)	395		266,541
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Other Deductions - CAIC Amortization			104,244
<b>Total Deductions</b>		calculated	<b>15,273,211</b>
<b>Net Income for Tax Purposes</b>		calculated	<b>-2,029,343</b>
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
<b>TAXABLE INCOME</b>		calculated	<b>-2,029,343</b>



# Income Tax/PILs Workform for 2021 Filers

## Corporation Loss Continuity and Application

### Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	<a href="#">H4</a>	0
<b>Amount to be used in Bridge Year</b>	<a href="#">B1</a>	0
Loss Carry Forward Generated in Bridge Year (if any)	<a href="#">B1</a>	2,029,343
Other Adjustments		19,560
Balance available for use post Bridge Year	calculated	2,048,903

[T4](#)

Net Capital Loss Carry Forward Deduction		Total
Actual Historical	<a href="#">H4</a>	0
<b>Amount to be used in Bridge Year</b>		
Loss Carry Forward Generated in Bridge Year (if any)	<a href="#">B1</a>	
Other Adjustments		
Balance available for use post Bridge Year	calculated	0

[T4](#)

## Income Tax/PILs Workform for 2021 Filers

### Schedule 8 CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus column 3 minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)	(18) UCC at the end of the bridge year (column 9 minus column 17)	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	H8	\$ 22,205,385						\$ 22,205,385	\$ -	\$ -	0.50	\$ -	\$ -		4%			\$ 888,215	\$ 21,317,170	T8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	\$ 1,574,612						\$ 1,574,612	\$ -	\$ -	0.50	\$ -	\$ -		6%			\$ 94,477	\$ 1,480,135	T8
2	Distribution System (acq'd pre 1988)	H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -		6%			\$ -	\$ -	T8
3	Buildings (acq'd pre 1988)	H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -		6%			\$ -	\$ -	T8
6	Certain Buildings; Fences	H8	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -		10%			\$ -	\$ -	T8
8	General Office Equipment, Furniture, Fixtures	H8	\$ 349,404	\$ 200,719	\$ 200,719				\$ 550,123	\$ -	\$ 200,719	0.50	\$ 100,360	\$ -		20%			\$ 130,097	\$ 420,027	T8
10	Motor Vehicles, Fleet	H8	\$ 678,024	\$ 437,616	\$ 437,616				\$ 1,115,640	\$ -	\$ 437,616	0.50	\$ 218,808	\$ -		30%			\$ 400,334	\$ 715,306	T8
10.1	Certain Automobiles	H8	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -		30%			\$ -	\$ -	T8
12	Computer Application Software (Non-Systems)	H8	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -		100%			\$ -	\$ -	T8
13.1	Lease # 1	H8	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -		NA			\$ -	\$ -	T8
13.2	Lease # 2	H8	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -		NA			\$ -	\$ -	T8
13.3	Lease # 3	H8	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -		NA			\$ -	\$ -	T8
13.4	Lease # 4	H8	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -		NA			\$ -	\$ -	T8
14	Limited Period Patents, Franchises, Concessions or Licences	H8	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -		NA			\$ -	\$ -	T8
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -		7%			\$ -	\$ -	T8
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -		6%			\$ -	\$ -	T8
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	H8	\$ 273,659						\$ 273,659	\$ -	\$ -	0.50	\$ -	\$ -		8%			\$ 21,893	\$ 251,766	T8
42	Fibre Optic Cable	H8	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -		12%			\$ -	\$ -	T8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	\$ -						\$ -	\$ -	\$ -	2.33	\$ -	\$ -		30%			\$ -	\$ -	T8
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	\$ -						\$ -	\$ -	\$ -	1.00	\$ -	\$ -		50%			\$ -	\$ -	T8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	\$ 106						\$ 106	\$ -	\$ -		\$ 45	\$ -		45%			\$ 48	\$ -	T8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -		30%			\$ -	\$ 58	T8
47	Distribution System (acq'd post Feb 22/05)	H8	\$ 40,910,243	\$ 4,848,183	\$ 4,848,183				\$ 45,758,426	\$ -	\$ 4,848,183	0.50	\$ 2,424,091	\$ -		8%			\$ 3,854,601	\$ 41,903,824	T8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	H8	\$ 203,966	\$ 1,250	\$ 1,250				\$ 205,216	\$ -	\$ 1,250	0.50	\$ 625	\$ -		65%			\$ 113,213	\$ 92,003	T8
95	CWIP	H8	\$ 1,777,367	\$ 340,106	\$ 340,106				\$ 2,117,473	\$ -	\$ 340,106	0.00	\$ -	\$ -		0%			\$ -	\$ 2,117,473	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -					\$ -	\$ -	T8
		H8	\$ -						\$ -	\$ -	\$ -										

For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years).

<https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t2sch8/t2sch8-19e.pdf>

# Income Tax/PILs Workform for 2021 Filers

## Schedule 13 Tax Reserves - Bridge Year

### Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments		Balance for Bridge Year		Change During the Year	Disallowed Expenses
						Additions	Disposals				
Capital gains reserves ss.40(1)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
<b>Tax Reserves Not Deducted for Accounting Purposes</b>											
Reserve for doubtful accounts ss. 20(1)(l)	<a href="#">H13</a>	131,556		131,556		200,000	201,842	129,714	<a href="#">T13</a>	-1,842	
Reserve for goods and services not delivered ss. 20(1)(m)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Reserve for unpaid amounts ss. 20(1)(n)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Debt & share issue expenses ss. 20(1)(e)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Other tax reserves	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Employee Future Benefits		4,316,342		4,316,342		-24,905		4,291,437		-24,905	
Sick Leave		220,400		220,400		4,700		225,100		4,700	
<b>Total</b>		<b>4,668,298</b>	<b>0</b>	<b>4,668,298</b>	<a href="#">B1</a>	<b>179,795</b>	<b>201,842</b>	<b>4,646,251</b>	<a href="#">B1</a>	<b>-22,047</b>	<b>0</b>
<b>Financial statement reserves (not deductible for tax purposes)</b>											
General Reserve for Inventory Obsolescence (non-specific)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
General Reserve for Bad Debts	<a href="#">H13</a>	131,556		131,556		200,000	201,842	129,714	<a href="#">T13</a>	-1,842	
Accrued Employee Future Benefits:	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
- Medical and Life Insurance	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
- Short & Long-term Disability	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
- Accumulated Sick Leave	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
- Termination Cost	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
- Other Post-Employment Benefits	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Provision for Environmental Costs	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Restructuring Costs	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Accrued Contingent Litigation Costs	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Accrued Self-Insurance Costs	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Other Contingent Liabilities	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Other	<a href="#">H13</a>	0		0				0	<a href="#">T13</a>	0	
Employee Future Benefits		4,316,342		4,316,342		-24,905		4,291,437		-24,905	
Sick Leave		220,400		220,400		4,700		225,100		4,700	
<b>Total</b>		<b>4,668,298</b>	<b>0</b>	<b>4,668,298</b>	<a href="#">B1</a>	<b>179,795</b>	<b>201,842</b>	<b>4,646,251</b>	<a href="#">B1</a>	<b>-22,047</b>	<b>0</b>





# Income Tax/PILs Workform for 2021 Filers

## PILs Tax Provision - Test Year

### Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ -	0.0%	<b>B</b>
Federal (Max 15%)	15.0%	15.0%	\$ -	0.0%	<b>C</b>

Combined effective tax rate (Max 26.5%)

### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

### Total Tax Credits

### Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>

Income Tax (grossed-up)

### Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

### Wires Only

T1 \$ - **A**

0.00% **D = B + C**

\$ - **E = A \* D**

\$ - **F**

\$ - **G**

\$ - **H = F + G**

\$ - **I = E - H**

[S. Summary](#)

100.00% **J = 1-D** \$ - **K = I/J-I**

\$ - **L = K + I**

[S. Summary](#)



# Income Tax/PILs Workform for 2021 Filers

## Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
<b>Net Income Before Taxes</b>		<u>A</u>	2,542,949
	<b>T2 S1 line #</b>		
<b>Additions:</b>			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		3,427,178
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from Schedule 8	107	<u>T8</u>	0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		69,191
Charitable donations	112		18,823
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		18,146
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	<u>T13</u>	4,646,251
Reserves from financial statements- balance at end of year	126	<u>T13</u>	4,620,373
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
<b>Other Additions</b>			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
Other Additions (Post Employment Benefits)	295		188,177
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
<b>Total Additions</b>			<b>12,988,139</b>
<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		

Capital cost allowance from Schedule 8	403	T8	5,654,607
Terminal loss from Schedule 8	404	T8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	4,620,373
Reserves from financial statements - balance at beginning of year	414	T13	4,646,251
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<b>Other deductions</b>			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
Other Deductions (Post Employment Benefits Paid)	395		295,030
Other Deductions (Deferred Revenue Amortization)	395		116,593
	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		calculated	<b>15,332,854</b>
<b>NET INCOME FOR TAX PURPOSES</b>		calculated	<b>198,234</b>
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	198,234
Net capital losses of previous tax years from Schedule 4	332	T4	0
Limited partnership losses of previous tax years from Schedule 4	335		
<b>REGULATORY TAXABLE INCOME</b>		calculated	<b>0</b>

T0



# Income Tax/PILs Workform for 2021 Filers

## Schedule 4 Loss Carry Forward - Test Year

### Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>				
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	2,048,903		2,048,903
<b>Amount to be used in Test Year and Price Cap Years</b>	<u>T1</u>	198,234		198,234
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
<b>Amount to be used in Test Year</b>	calculated	198,234		198,234
Loss Carry Forward Generated in Test Year (if any)	<u>T1</u>	0		0
Other Adjustments		29,823		29,823
Balance available for use in Future Years	calculated	1,880,492		1,880,492

		Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>				
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	0		0
<b>Amount to be used in Test Year and Price Cap Years</b>				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
<b>Amount to be used in Test Year</b>	<u>T1</u>	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		0		0

 Ontario Energy Board

# Income Tax/PILs Workform for 2021 Filers

### Schedule 8 CCA - Test Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 3 minus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0")
1	Buildings, Distribution System (acq'd post 1987)	B8	\$ 21,317,170							\$ 21,317,170	\$ -	\$ -	0.50	\$ -	\$ -
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	B8	\$ 1,480,135							\$ 1,480,135	\$ -	\$ -	0.50	\$ -	\$ -
2	Distribution System (acq'd pre 1988)	B8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -
3	Buildings (acq'd pre 1988)	B8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -
6	Certain Buildings; Fences	B8	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -
8	General Office Equipment, Furniture, Fixtures	B8	\$ 420,027	42,000	42,000					\$ 462,027	\$ -	\$ 42,000	0.50	\$ 21,000	\$ -
10	Motor Vehicles, Fleet	B8	\$ 715,306	333,741	333,741					\$ 1,049,047	\$ -	\$ 333,741	0.50	\$ 166,871	\$ -
10.1	Certain Automobiles	B8	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -
12	Computer Application Software (Non-Systems)	B8	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -
13 <sub>1</sub>	Lease # 1	B8	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -
13 <sub>2</sub>	Lease # 2	B8	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -
13 <sub>3</sub>	Lease # 3	B8	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -
13 <sub>4</sub>	Lease # 4	B8	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -
14	Limited Period Patents, Franchises, Concessions or Licences	B8	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	B8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	B8	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	B8	\$ 251,766	0						\$ 251,766	\$ -	\$ -	0.50	\$ -	\$ -
42	Fibre Optic Cable	B8	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	\$ -							\$ -	\$ -	\$ -	2.33	\$ -	\$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	\$ -							\$ -	\$ -	\$ -	1.00	\$ -	\$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	B8	\$ 58							\$ 58	\$ -	\$ -		\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -
47	Distribution System (acq'd post Feb 22/05)	B8	\$ 41,903,824	5,302,559	5,302,559					\$ 47,206,384	\$ -	\$ 5,302,559	0.50	\$ 2,651,280	\$ -
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	B8	\$ 92,003	233,150	233,150					\$ 325,153	\$ -	\$ 233,150	0.50	\$ 116,575	\$ -
95	CWIP	B8	\$ 2,117,473	229,450	229,450					\$ 2,346,923	\$ -	\$ 229,450	0.00	\$ -	\$ -
		B8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -
		B8	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -
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For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years):

<https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t2sch8/t2sch8-19e.pdf>

(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)		(18) UCC at the end of the test year (column 9 minus column 17)
4%			\$ 852,687		\$ 20,464,483
6%			\$ 88,808		\$ 1,391,327
6%			\$ -		\$ -
5%			\$ -		\$ -
10%			\$ -		\$ -
20%			\$ 96,605		\$ 365,421
30%			\$ 364,775		\$ 684,271
30%			\$ -		\$ -
100%			\$ -		\$ -
NA					\$ -
NA					\$ -
NA					\$ -
NA					\$ -
NA					\$ -
7%			\$ -		\$ -
5%			\$ -		\$ -
8%			\$ 20,141		\$ 231,625
12%			\$ -		\$ -
30%			\$ -		\$ -
50%			\$ -		\$ -
45%			\$ 26		\$ 32
30%			\$ -		\$ -
8%			\$ 3,988,613		\$ 43,217,771
55%			\$ 242,951		\$ 82,203
0%			\$ -		\$ 2,346,923
4%			\$ -		\$ -
6%			\$ -		\$ -
20%			\$ -		\$ -
30%			\$ -		\$ -
45%			\$ -		\$ -
8%			\$ -		\$ -
55%			\$ -		\$ -
					\$ -
	\$ -	\$ -	\$ 5,654,607	<u>11</u>	\$ 68,784,056



# Income Tax/PILs Workform for 2021 Filers

## Schedule 13 Tax Reserves - Test Year

### Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)	B13	129,714		129,714	200,000	201,842	127,872	-1,842	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0	0	
Other tax reserves	B13	0		0			0	0	
Employee Future Benefits		4,291,437		4,291,437	-28,735		4,262,701	-28,735	
Sick Leave		225,100		225,100	4,700		229,800	4,700	
<b>Total</b>		<b>4,646,251</b>	<b>0</b>	<b>4,646,251</b>	<b>175,965</b>	<b>201,842</b>	<b>4,620,373</b>	<b>-25,877</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0	0	
General reserve for bad debts	B13	129,714		129,714	200,000	201,842	127,872	-1,842	
Accrued Employee Future Benefits:	B13	0		0			0	0	
- Medical and Life Insurance	B13	0		0			0	0	
-Short & Long-term Disability	B13	0		0			0	0	
-Accumulated Sick Leave	B13	0		0			0	0	
- Termination Cost	B13	0		0			0	0	
- Other Post-Employment Benefits	B13	0		0			0	0	
Provision for Environmental Costs	B13	0		0			0	0	
Restructuring Costs	B13	0		0			0	0	
Accrued Contingent Litigation Costs	B13	0		0			0	0	
Accrued Self-Insurance Costs	B13	0		0			0	0	
Other Contingent Liabilities	B13	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0	0	
Other	B13	0		0			0	0	
Employee Future Benefits		4,291,437		4,291,437	-28,735		4,262,701	-28,735	
Sick Leave		225,100		225,100	4,700		229,800	4,700	
<b>Total</b>		<b>4,646,251</b>	<b>0</b>	<b>4,646,251</b>	<b>175,965</b>	<b>201,842</b>	<b>4,620,373</b>	<b>-25,877</b>	<b>0</b>

**APPENDIX 4-E : NBHDL'S 2019 TAX RETURN**



BDO Canada LLP  
101 McIntyre Street West  
Suite 301  
North Bay ON P1B 2Y5  
Tel.: (705) 495-2000  
Fax: (705) 495-2001

June 16, 2020

**PERSONAL AND CONFIDENTIAL**

Melissa Casson  
Vice President, Finance  
North Bay Hydro Distribution Limited  
74 Commerce Court  
P.O. Box 3240  
North Bay ON P1B 8Y5  
Canada

Mrs. Casson,

**Corporate Tax Return Filing Instructions**

**Federal tax instalments (monthly)**

Due date	Amount
2020-03-31	\$12,313
2020-04-30	\$12,313
2020-05-31	\$12,313
2020-06-30	\$12,313
2020-07-31	\$12,313
2020-08-31	\$12,313
2020-09-30	\$12,313
2020-10-31	\$12,313
2020-11-30	\$12,313
2020-12-31	\$12,307
2021-01-31	\$10,261
2021-02-28	\$10,261
Total	\$143,646

BDO Canada LLP

## Federal Tax Instalments

### Federal tax instalments

For the taxation year ended 2020-12-31

Business number 88246 3128 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to Canada Revenue Agency, P.O. Box 3800, Station A, Sudbury ON P3A 0C3.

### Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2020-01-31					
2020-02-29					
2020-03-31	12,313				12,313
2020-04-30	12,313				12,313
2020-05-31	12,313				12,313
2020-06-30	12,313				12,313
2020-07-31	12,313				12,313
2020-08-31	12,313				12,313
2020-09-30	12,313				12,313
2020-10-31	12,313				12,313
2020-11-30	12,313				12,313
2020-12-31	12,307				12,307
2021-01-31					10,261
2021-02-28					10,261
<b>Totals</b>	<b>123,124</b>				<b>143,646</b>



Canada Revenue Agency  
Agence du revenu  
du Canada

## T2 Corporation Income Tax Return

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see [canada.ca/taxes](https://canada.ca/taxes) or Guide T4012, T2 Corporation – Income Tax Guide.

**055** Do not use this area

### Identification

**Business number (BN)** . . . . . **001** 88246 3128 RC0001

#### Corporation's name

**002** North Bay Hydro Distribution Limited

#### Address of head office

Has this address changed since the last time we were notified? . . . . . **010** Yes ☐ No ☒

If **yes**, complete lines 011 to 018.

**011** 74 Commerce Court

**012** P.O. Box 3240

**015** North Bay **016** ON

Country (other than Canada) Postal or ZIP code

**017** CA **018** P1B 8Y5

#### Mailing address (if different from head office address)

Has this address changed since the last time we were notified? . . . . . **020** Yes ☐ No ☒

If **yes**, complete lines 021 to 028.

**021** c/o

**022** 74 Commerce Court

**023** P.O. Box 3240

**025** North Bay **026** ON

Country (other than Canada) Postal or ZIP code

**027** CA **028** P1B 8Y5

#### Location of books and records (if different from head office address)

Has this address changed since the last time we were notified? . . . . . **030** Yes ☐ No ☒

If **yes**, complete lines 031 to 038.

**031**

**032**

**035** North Bay **036** ON

Country (other than Canada) Postal or ZIP code

**037** CA **038** P1B 8Y5

#### **040** Type of corporation at the end of the tax year (tick one)

- ☒ 1 Canadian-controlled private corporation (CCPC)  
☐ 2 Other private corporation  
☐ 3 Public corporation  
☐ 4 Corporation controlled by a public corporation  
☐ 5 Other corporation (specify) \_\_\_\_\_

If the type of corporation changed during the tax year, provide the effective date of the change . . . . . **043** Year Month Day

#### To which tax year does this return apply?

Tax year start Tax year-end  
Year Month Day Year Month Day  
**060** 2019-01-01 **061** 2019-12-31

**Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?** . . . . . **063** Yes ☐ No ☒

If **yes**, provide the date control was acquired . . . . . **065** Year Month Day

**Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?** . . . . . **066** Yes ☐ No ☒

**Is the corporation a professional corporation that is a member of a partnership?** . . . . . **067** Yes ☐ No ☒

**Is this the first year of filing after:**  
Incorporation? . . . . . **070** Yes ☐ No ☒  
Amalgamation? . . . . . **071** Yes ☐ No ☒

If **yes**, complete lines 030 to 038 and attach Schedule 24.

**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** . . . . . **072** Yes ☐ No ☒

If **yes**, complete and attach Schedule 24.

**Is this the final tax year before amalgamation?** . . . . . **076** Yes ☐ No ☒

**Is this the final return up to dissolution?** . . . . . **078** Yes ☐ No ☒

**If an election was made under section 261, state the functional currency used** . . . . . **079** \_\_\_\_\_

**Is the corporation a resident of Canada?** **080** Yes ☒ No ☐  
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

**081** \_\_\_\_\_

**Is the non-resident corporation claiming an exemption under an income tax treaty?** . . . . . **082** Yes ☐ No ☒  
If **yes**, complete and attach Schedule 91.

**If the corporation is exempt from tax under section 149, tick one of the following boxes:**

- 085** ☐ 1 Exempt under paragraph 149(1)(e) or (l)  
☐ 2 Exempt under paragraph 149(1)(j)  
☐ 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)  
☐ 4 Exempt under other paragraphs of section 149

Do not use this area

**095**

**096**

**898**

## Attachments

**Financial statement information:** Use GIFI schedules 100, 125, and 141.

**Schedules** – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<b>150</b> <input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<b>160</b> <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<b>161</b> <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<b>151</b> <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<b>162</b> <input type="checkbox"/>	11
If you answered <b>yes</b> to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<b>163</b> <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<b>164</b> <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<b>165</b> <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<b>166</b> <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<b>167</b> <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<b>168</b> <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<b>169</b> <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<b>170</b> <input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<b>171</b> <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<b>173</b> <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<b>172</b> <input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<b>180</b> <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<b>201</b> <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<b>202</b> <input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<b>203</b> <input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<b>204</b> <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<b>205</b> <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<b>206</b> <input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<b>207</b> <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<b>208</b> <input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<b>212</b> <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<b>213</b> <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<b>216</b> <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<b>217</b> <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<b>218</b> <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<b>220</b> <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<b>221</b> <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<b>227</b> <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<b>231</b> <input checked="" type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<b>232</b> <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<b>233</b> <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<b>234</b> <input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<b>238</b> <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<b>242</b> <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<b>243</b> <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<b>244</b> <input type="checkbox"/>	45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	<b>249</b> <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<b>250</b> <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<b>253</b> <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<b>254</b> <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<b>255</b> <input type="checkbox"/>	92

## Attachments (continued)

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

## Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the corporation inactive?	280	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity? 221119 Other Electric Power Generation					
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Electricity Distribution	285	99.000 %	
	286	Other	287	1.000 %	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

## Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	554,134	A
<b>Deduct:</b>			
Charitable donations from Schedule 2	311	68,531	
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331	22,474	
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
	Subtotal	91,005	a
		91,005	B
	Subtotal (amount A minus amount B) (if negative, enter "0")	463,129	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
<b>Taxable income</b> (amount C plus amount D)	360	463,129	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		463,129	Z
<b>Taxable income</b> for the year from a personal services business			Z.1

\* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

## Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	554,134	A
Taxable income from line 360 on page 3, <b>minus</b> 100/28 ( 3.57143 ) of the amount on line 632* on page 8, <b>minus</b> 4 times the amount on line 636** on page 8, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	405	463,129	B
Business limit (see notes 1 and 2 below)	410	500,000	C

#### Notes:

- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
- For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

### Business limit reduction

#### Taxable capital business limit reduction

Amount C	500,000	x	415 ***	308,896	D	=	13,728,711	E
				11,250				

#### Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	500,000	x	Amount F	=	G
	100,000				

Subtotal (the greater of amount E and amount G) 422 13,728,711 H

Reduced business limit for tax years starting before 2019 (amount C <b>minus</b> amount E) (if negative, enter "0")	425	I
Reduced business limit for tax years starting after 2018 (amount C <b>minus</b> amount H) (if negative, enter "0")	426	J
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5)		K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) 427 L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) 428 M

### Small business deduction

#### Tax years starting before 2019

Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year before January 1, 2018	x	17.5 % =	1
		365			
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2017, and before January 1, 2019	x	18 % =	2
		365			
Amount A, B, C, or L, whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	3
		365			

#### Tax years starting after 2018

Amount A, B, C, or M, whichever is the least . . . . x 19 % = 4

Small business deduction (total of amounts 1 to 4) 430 N

Enter amount N at amount J on page 8.

\* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

#### \*\*\* Large corporations

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

\*\*\*\* Enter the total adjusted aggregate investment income of the corporation and all associated corporations. For the first tax year starting after 2018, use the total of lines 744 of Schedule 7. Otherwise, use the total of lines 745 of the preceding tax year.

## Small business deduction (continued)

### Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O <sup>3</sup>	Q Business limit assigned to corporation identified in column O <sup>4</sup>
	<b>490</b>	<b>500</b>	<b>505</b>
1.			
Total <b>510</b>		Total <b>515</b>	

#### Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
- (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
- (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

## General tax reduction for Canadian-controlled private corporations

### Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	463,129	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B
Amount 13K from Part 13 of Schedule 27		C
Personal services business income	<b>432</b>	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		E
Aggregate investment income from line 440 on page 6*		F
Subtotal (add amounts B to F)		G
Amount A minus amount G (if negative, enter "0")	463,129	H
General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 %	60,207	I

Enter amount I on line 638 on page 8.

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

## General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)		J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K
Amount 13K from Part 13 of Schedule 27		L
Personal services business income	<b>434</b>	M
Subtotal (add amounts K to M)		N
Amount J minus amount N (if negative, enter "0")		O
General tax reduction – Amount O multiplied by 13 %		P

Enter amount P on line 639 on page 8.

## Refundable portion of Part I tax

### Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	440	x	30 2 / 3 %	=		A
Foreign non-business income tax credit from line 632 on page 8						B
Foreign investment income from Schedule 7	445	x	8 %	=		C
Subtotal (amount B minus amount C) (if negative, enter "0")						D
Amount A minus amount D (if negative, enter "0")						E
Taxable income from line 360 on page 3					463,129	F
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least						G
Foreign non-business income tax credit from line 632 on page 8		x	75 / 29	=		H
Foreign business income tax credit from line 636 on page 8		x	4	=		I
Subtotal (add amounts G to I)						J
Subtotal (amount F minus amount J) (if negative, enter "0")					463,129	K
				x	30 2 / 3 %	=
						142,026 L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)						67,469 M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least						450 N

## Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Subtotal (line 460 minus line 465)		O
Refundable portion of Part I tax from line 450 above		P
Total Part IV tax payable from Schedule 3		Q
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (amount P plus amount Q plus line 480)		R
Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R		485

## Dividend refund (for tax years starting before 2019)

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3		x	38 1 / 3 %	=		S
Refundable dividend tax on hand at the end of the tax year from line 485 above						T
Dividend refund – Amount S or T, whichever is less						U

Enter amount U on line 784 on page 9.



## Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460		
Dividend refund for the previous tax year	465		
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480		
Subtotal (line 460 minus line 465 plus line 480)			A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)		12,970,423	B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D
Subtotal (amount C minus amount D) (if negative, enter "0")			E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")		12,970,423	F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G
Subtotal (amount F plus amount G)		12,970,423	H
Amount H multiplied by 38 1 / 3 %		4,971,995	I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M
Subtotal (amount L plus amount M)			N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)			Q
Part IV tax before deductions (amount 2A from Schedule 3)			R
Part IV tax allocated to ERDTOH (amount N)			S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T
Subtotal (amount R minus total of amounts S and T)			U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545		Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530		

\* For more information, consult the Help (F1).

## Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)			AA
ERDTOH balance at the end of the tax year (line 530)			BB
Eligible dividend refund (amount AA or BB, whichever is less)			CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		509,460	DD
NERDTOH balance at the end of the tax year (line 545)			EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")		509,460	GG
Amount BB minus amount CC (if negative, enter "0")			HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* – Amount CC plus amount FF plus amount II			JJ

Enter amount JJ on line 784 on page 9.

\* For more information, consult the Help (F1).

## Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 %	550	175,989	A
<b>Additional tax on personal services business income</b> (section 123.5)			
Taxable income from a personal services business	555	x 5 % = 560	B
Recapture of investment tax credit from Schedule 31	602		C
<b>Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income</b> (if it was a CCPC throughout the tax year)			
Aggregate investment income from line 440 on page 6			D
Taxable income from line 360 on page 3	463,129		E
<b>Deduct:</b>			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least			F
Net amount (amount E minus amount F)	463,129	463,129	G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604		H
Subtotal (add amounts A, B, C, and H)		175,989	I
<b>Deduct:</b>			
Small business deduction from line 430 on page 4			J
Federal tax abatement	608	46,313	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains	624		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638	60,207	
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652	2,000	
Subtotal		108,520	K
<b>Part I tax payable</b> – Amount I minus amount K		67,469	L
Enter amount L on line 700 on page 9.			

## Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at [canada.ca/cra-info-source](https://canada.ca/cra-info-source).

## Summary of tax and credits

### Federal tax

Part I tax payable from amount L on page 8	700	67,469
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		67,469

### Add provincial or territorial tax:

Provincial or territorial jurisdiction	750	ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial or territorial tax payable (except Quebec and Alberta)	760	55,655
Total tax payable	770	123,124 A

### Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6 or JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	135,406
Labour tax credit for qualifying journalism organizations		
Total credits	890	135,406

Balance (amount A minus amount B) **135,406** **135,406** B

Refund code **894** 1 Refund **12,282**

### Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** Branch number

**914** Institution number **918** Account number

Balance (amount A minus amount B) **-12,282**

If the result is negative, you have a **refund**.  
If the result is positive, you have a **balance owing**.  
Enter the amount on whichever line applies.  
Generally, we do not charge or refund a difference of \$2 or less.

Balance owing **12,282**

For information on how to make your payment, go to [canada.ca/payments](https://canada.ca/payments).

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** A3562

## Certification

I, **950** Casson **951** Melissa **954** Vice President, Finance

Last name First name Position, office, or rank

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

**955** 2020-06-16 **956** (705) 474-8100

Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes ☒ No ☐

**958** **959**

Name of other authorized person Telephone number

## Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.  
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

**990** 1

Schedule of Instalment Remittances

Name of corporation contact  
Telephone number

North Bay Hydro Distribution

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2019-01-31	Instalment	11,802
2019-02-28	Instalment	11,802
2019-03-29	Instalment	11,802
2020-01-16	Instalment	100,000
	Instalment	
	Instalment	
	Instalment	
	Instalment	
	Instalment	
	Instalment	
	Instalment	
	Instalment	
	Instalment	
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		135,406 A
Total instalments credited to the taxation year per T9		135,406 B

Transfer					
Account number	Taxation year end	Amount	Effective interest date	Description	
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

Form identifier 100

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF1**

Corporation's name	Business number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

**Balance sheet information**

Account	Description	GIFI	Current year	Prior year
<b>Assets</b>				
	Total current assets . . . . .	<b>1599</b> +	28,615,441	26,011,530
	Total tangible capital assets . . . . .	<b>2008</b> +	138,868,592	133,407,777
	Total accumulated amortization of tangible capital assets . . . . .	<b>2009</b> –	66,600,941	64,106,144
	Total intangible capital assets . . . . .	<b>2178</b> +		
	Total accumulated amortization of intangible capital assets . . . . .	<b>2179</b> –		
	Total long-term assets . . . . .	<b>2589</b> +	3,261,257	3,592,064
	* Assets held in trust . . . . .	<b>2590</b> +		
	<b>Total assets</b> (mandatory field) . . . . .	<b>2599</b> =	104,144,349	98,905,227

<b>Liabilities</b>				
	Total current liabilities . . . . .	<b>3139</b> +	16,721,953	13,904,718
	Total long-term liabilities . . . . .	<b>3450</b> +	48,253,363	46,440,617
	* Subordinated debt . . . . .	<b>3460</b> +		
	* Amounts held in trust . . . . .	<b>3470</b> +		
	<b>Total liabilities</b> (mandatory field) . . . . .	<b>3499</b> =	64,975,316	60,345,335

<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field) . . . . .	<b>3620</b> +	39,169,033	38,559,892

	<b>Total liabilities and shareholder equity</b> . . . . .	<b>3640</b> =	104,144,349	98,905,227
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<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field) . . . . .	<b>3849</b> =	19,862,831	19,059,350

\* Generic item

BDO Canada LLP  
101 McIntyre Street West  
Suite 301  
North Bay ON P1B 2Y5  
Tel.: (705) 495-2000  
Fax: (705) 495-2001

June 16, 2020

Melissa Casson  
Vice President, Finance  
North Bay Hydro Distribution Limited  
74 Commerce Court  
P.O. Box 3240  
North Bay ON P1B 8Y5  
Canada

## **Notice to Reader**

### **Statement of income**

The corporation's income statement on December 31, 2019 has been prepared solely for income tax purposes based on information provided by North Bay Hydro Distribution Limited without audit or review.

Readers are cautioned that these statements may not be appropriate for their purposes.

Signed in North Bay on June 16, 2020,

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**Signature**

BDO Canada LLP

Form identifier 125

**GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

**Income statement information**

Description	GIFI
Operating name . . . . .	<b>0001</b> _____
Description of the operation . . . . .	<b>0002</b> _____
Sequence number . . . . .	<b>0003</b> <u>01</u>

Account	Description	GIFI	Current year	Prior year
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**Income statement information**

Total sales of goods and services . . . . .	<b>8089</b> +	71,148,047	68,170,278
Cost of sales . . . . .	<b>8518</b> -	57,947,018	55,082,977
<b>Gross profit/loss</b> . . . . .	<b>8519</b> =	13,201,029	13,087,301
Cost of sales . . . . .	<b>8518</b> +	57,947,018	55,082,977
Total operating expenses . . . . .	<b>9367</b> +	10,926,970	10,376,098
<b>Total expenses (mandatory field)</b> . . . . .	<b>9368</b> =	68,873,988	65,459,075
Total revenue (mandatory field) . . . . .	<b>8299</b> +	72,221,844	69,508,814
Total expenses (mandatory field) . . . . .	<b>9368</b> -	68,873,988	65,459,075
<b>Net non-farming income</b> . . . . .	<b>9369</b> =	3,347,856	4,049,739

**Farming income statement information**

Total farm revenue (mandatory field) . . . . .	<b>9659</b> +		
Total farm expenses (mandatory field) . . . . .	<b>9898</b> -		
<b>Net farm income</b> . . . . .	<b>9899</b> =		

<b>Net income/loss before taxes and extraordinary items</b> . . . . .	<b>9970</b> =	3,347,856	4,049,739
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<b>Total other comprehensive income</b> . . . . .	<b>9998</b> =		
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**Extraordinary items and income (linked to Schedule 140)**

Extraordinary item(s) . . . . .	<b>9975</b> -		
Legal settlements . . . . .	<b>9976</b> -		
Unrealized gains/losses . . . . .	<b>9980</b> +	-681,401	-140,775
Unusual items . . . . .	<b>9985</b> -		
Current income taxes . . . . .	<b>9990</b> -	122,584	
Future (deferred) income tax provision . . . . .	<b>9995</b> -	411,365	866,464
Total – Other comprehensive income . . . . .	<b>9998</b> +		
<b>Net income/loss after taxes and extraordinary items (mandatory field)</b> . . . . .	<b>9999</b> =	2,132,506	3,042,500

## Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

### Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? . . . . . **095** Yes ☒ No ☐

Is the accountant connected\* with the corporation? . . . . . **097** Yes ☐ No ☒

**Note**

If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you **do have** to complete Part 4, as applicable.

\* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

### Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report . . . . . 1 ☒

Completed a review engagement report . . . . . 2 ☐

Conducted a compilation engagement . . . . . 3 ☐

### Part 3 – Reservations

If you selected option 1 or 2 under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? . . . . . **099** Yes ☐ No ☒

### Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: **110**

Prepared the tax return (financial statements prepared by client) . . . . . 1 ☐

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) . . . . . 2 ☐

Were notes to the financial statements prepared? . . . . . **101** Yes ☒ No ☐

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

Are subsequent events mentioned in the notes? . . . . . **104** Yes ☒ No ☐

Is re-evaluation of asset information mentioned in the notes? . . . . . **105** Yes ☐ No ☒

Is contingent liability information mentioned in the notes? . . . . . **106** Yes ☒ No ☐

Is information regarding commitments mentioned in the notes? . . . . . **107** Yes ☒ No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** Yes ☐ No ☒



## Part 4 – Other information (continued)

### Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . .

**200** Yes ☐ No ☒

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment . . . . .	<b>210</b>		<b>211</b>	
Intangible assets . . . . .	<b>215</b>		<b>216</b>	
Investment property . . . . .	<b>220</b>			
Biological assets . . . . .	<b>225</b>			
Financial instruments . . . . .	<b>230</b>		<b>231</b>	
Other . . . . .	<b>235</b>		<b>236</b>	

### Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . .

**250** Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year? . . . . .

**255** Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year? . . . . .

**260** Yes ☐ No ☒

### Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . .

**265** Yes ☐ No ☒

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



Canada Revenue Agency  
Agence du revenu du Canada

# Net Income (Loss) for Income Tax Purposes

## Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 ..... 2,132,506 A

### Add:

Provision for income taxes – current	101	122,584
Provision for income taxes – deferred	102	411,365
Amortization of tangible assets	104	2,981,841
Loss on disposal of assets	111	90,272
Charitable donations and gifts from Schedule 2	112	33,458
Non-deductible meals and entertainment expenses	121	15,179
Subtotal of additions		3,654,699 ▶
		3,654,699

### Other additions:

#### Miscellaneous other additions:

1 Description	2 Amount			
605	295			
1 Unrealized losses	681,401			
2 Post employment benefit	275,841			
Total of column 2	957,242	▶	296	957,242
Subtotal of other additions			199	957,242 ▶
				957,242 D
Total additions			500	4,611,941 ▶
				4,611,941

Amount A plus line 500 ..... 6,744,447 B

### Deduct:

Capital cost allowance from Schedule 8	403	4,788,912
Subtotal of deductions		4,788,912 ▶
		4,788,912

### Other deductions:

Equity in income from subsidiaries or affiliates	306	605,148
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#### Miscellaneous other deductions:

1 Description	2 Amount			
705	395			
1 Deferred revenue amortization	93,371			
2 Reg assets	274,855			
3 post employment benefits paid	260,166			
4 movement in reg assets/liabil	167,861			
Total of column 2	796,253	▶	396	796,253
Subtotal of other deductions			499	1,401,401 ▶
				1,401,401 E
Total deductions			510	6,190,313 ▶
				6,190,313

Net income (loss) for income tax purposes (amount B minus line 510) ..... 554,134 C

Enter amount C on line 300 of the T2 return.



## Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

### Part 1 – Charitable donations

Charity/Recipient	Amount (\$100 or more only)
Amelia Rising Sexual Assault	500
North Bay Regional Science Fair	1,000
Hospital for Sick Kids	150
One Kid's Place	1,500
Rotary Club	1,325
2019 Osprey Links Charity - 2019 Donation - PEO	1,700
Humane Society Donation	150
Hands the Family Help Network	1,500
Cancer Society Donation	500
NBHRC Foundation Donation	8,333
Fesitval of Trees Donation	100
LEAP	16,700
	<b>Subtotal</b> 33,458
<b>Add:</b> Total donations of less than \$100 each	
Total donations in current tax year	<b>33,458</b>

## Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year . . . . .	35,073 A	35,073	35,073
Charitable donations expired after 5 tax years* . . . . .	<b>239</b>		
Charitable donations at the beginning of the current tax year (amount A <b>minus</b> line 239) . . . . .	35,073	35,073	35,073
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>250</b>		
Total charitable donations made in the current year . . . . .	33,458	33,458	33,458
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 <b>plus</b> line 210) . . . . .	33,458 B	33,458	33,458
Subtotal (line 240 <b>plus</b> amount B) . . . . .	68,531 C	68,531	68,531
Adjustment for an acquisition of control . . . . .	<b>255</b>		
Total charitable donations available (amount C <b>minus</b> line 255) . . . . .	68,531 D	68,531	68,531
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) . . . . .	<b>260</b>	68,531	68,531
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount D <b>minus</b> line 260) . . . . .	<b>280</b>		
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013) . . . . .	<b>262</b>		
Ontario community food program donation tax credit for farmers (amount on line 262 <b>multiplied by</b> 25 %) . . . . .			1
Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).			
The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015) . . . . .	<b>263</b>		
Nova Scotia food bank tax credit for farmers (amount on line 263 <b>multiplied by</b> 25 %) . . . . .			2
Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.			
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2021) . . . . .	<b>265</b>		
British Columbia farmers' food donation tax credit (amount on line 265 <b>multiplied by</b> 25 %) . . . . .			3
Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.			
* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.			

## Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1 <sup>st</sup> prior year	2018-12-31	35,073	35,073	35,073
2 <sup>nd</sup> prior year	2017-12-31			
3 <sup>rd</sup> prior year	2016-12-31			
4 <sup>th</sup> prior year	2015-12-31			
5 <sup>th</sup> prior year	2014-12-31			
6 <sup>th</sup> prior year*	2013-12-31			
7 <sup>th</sup> prior year	2012-12-31			
8 <sup>th</sup> prior year	2011-12-31			
9 <sup>th</sup> prior year	2010-12-31			
10 <sup>th</sup> prior year	2009-12-31			
11 <sup>th</sup> prior year	2008-12-31			
12 <sup>th</sup> prior year	2007-12-31			
13 <sup>th</sup> prior year	2006-12-31			
14 <sup>th</sup> prior year	2005-12-31			
15 <sup>th</sup> prior year	2004-12-31			
16 <sup>th</sup> prior year	2003-12-31			
17 <sup>th</sup> prior year	2002-12-31			
18 <sup>th</sup> prior year	2001-12-31			
19 <sup>th</sup> prior year	2000-12-31			
20 <sup>th</sup> prior year				
21 <sup>st</sup> prior year*				
<b>Total (to line A)</b>		<b>35,073</b>	<b>35,073</b>	<b>35,073</b>

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

## Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes <sup>Note 1</sup> multiplied by 75 %		415,601	E
Taxable capital gains arising in respect of gifts of capital property included in Part 1 <sup>Note 2</sup>	225		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, <b>less</b> outlays and expenses <sup>Note 2</sup>		F	
Capital cost <sup>Note 2</sup>		G	
Amount F or G, whichever is less	235		
Amount on line 230 or 235, whichever is less		H	
Subtotal (add line 225, 227, and amount H)		I	
Amount I multiplied by 25 %		J	
Subtotal (amount E plus amount J)		415,601	K
<b>Maximum allowable deduction for charitable donations</b> (enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least)		68,531	L

Note 1 For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2 This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

### Part 3 – Gifts of certified cultural property

	Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year . . . . .	M		
Gifts of certified cultural property expired after 5 tax years* . . . . .	<b>439</b>		
Gifts of certified cultural property at the beginning of the current tax year (amount M <b>minus</b> line 439) . . . . .	<b>440</b>		
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>450</b>		
Total gifts of certified cultural property in the current year . . . . .	<b>410</b>		
(include this amount on line 112 of Schedule 1)			
Subtotal (line 450 <b>plus</b> line 410)	N		
Subtotal (line 440 <b>plus</b> amount N)	O		
Adjustment for an acquisition of control . . . . .	<b>455</b>		
Amount applied in the current year against taxable income . . . . .	<b>460</b>		
(enter this amount on line 313 of the T2 return)			
Subtotal (line 455 <b>plus</b> line 460)	P		
Gifts of certified cultural property closing balance (amount O <b>minus</b> amount P) . . . . .	<b>480</b>		

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

### Amount carried forward – Gifts of certified cultural property

Year of origin:	Federal	Québec	Alberta
1 <sup>st</sup> prior year . . . . . 2018-12-31			
2 <sup>nd</sup> prior year . . . . . 2017-12-31			
3 <sup>rd</sup> prior year . . . . . 2016-12-31			
4 <sup>th</sup> prior year . . . . . 2015-12-31			
5 <sup>th</sup> prior year . . . . . 2014-12-31			
6 <sup>th</sup> prior year* . . . . . 2013-12-31			
7 <sup>th</sup> prior year . . . . . 2012-12-31			
8 <sup>th</sup> prior year . . . . . 2011-12-31			
9 <sup>th</sup> prior year . . . . . 2010-12-31			
10 <sup>th</sup> prior year . . . . . 2009-12-31			
11 <sup>th</sup> prior year . . . . . 2008-12-31			
12 <sup>th</sup> prior year . . . . . 2007-12-31			
13 <sup>th</sup> prior year . . . . . 2006-12-31			
14 <sup>th</sup> prior year . . . . . 2005-12-31			
15 <sup>th</sup> prior year . . . . . 2004-12-31			
16 <sup>th</sup> prior year . . . . . 2003-12-31			
17 <sup>th</sup> prior year . . . . . 2002-12-31			
18 <sup>th</sup> prior year . . . . . 2001-12-31			
19 <sup>th</sup> prior year . . . . . 2000-12-31			
20 <sup>th</sup> prior year . . . . .			
21 <sup>st</sup> prior year* . . . . .			
<b>Total</b> . . . . .			

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

## Part 4 – Gifts of certified ecologically sensitive land

	Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year . . . . .	Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014* . . . . .	<b>539</b>		
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q minus line 539) . . . . .	<b>540</b>		
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>550</b>		
Total current-year gifts of certified ecologically sensitive land . . . . .	<b>520</b>		
(include this amount on line 112 of Schedule 1)			
Subtotal (line 550 plus line 520) . . . . .	R		
Subtotal (line 540 plus amount R) . . . . .	S		
Adjustment for an acquisition of control . . . . .	<b>555</b>		
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return) . . . . .	<b>560</b>		
Subtotal (line 555 plus line 560) . . . . .	T		
Gifts of certified ecologically sensitive land closing balance (amount S minus amount T) . . . . .	<b>580</b>		

\* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

## Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . . .		Federal	Québec	Alberta
Year of origin:				
1 <sup>st</sup> prior year . . . . .	2018-12-31			
2 <sup>nd</sup> prior year . . . . .	2017-12-31			
3 <sup>rd</sup> prior year . . . . .	2016-12-31			
4 <sup>th</sup> prior year . . . . .	2015-12-31			
5 <sup>th</sup> prior year . . . . .	2014-12-31			
6 <sup>th</sup> prior year* . . . . .	2013-12-31			
7 <sup>th</sup> prior year . . . . .	2012-12-31			
8 <sup>th</sup> prior year . . . . .	2011-12-31			
9 <sup>th</sup> prior year . . . . .	2010-12-31			
10 <sup>th</sup> prior year . . . . .	2009-12-31			
11 <sup>th</sup> prior year* . . . . .	2008-12-31			
12 <sup>th</sup> prior year . . . . .	2007-12-31			
13 <sup>th</sup> prior year . . . . .	2006-12-31			
14 <sup>th</sup> prior year . . . . .	2005-12-31			
15 <sup>th</sup> prior year . . . . .	2004-12-31			
16 <sup>th</sup> prior year . . . . .	2003-12-31			
17 <sup>th</sup> prior year . . . . .	2002-12-31			
18 <sup>th</sup> prior year . . . . .	2001-12-31			
19 <sup>th</sup> prior year . . . . .	2000-12-31			
20 <sup>th</sup> prior year . . . . .				
21 <sup>st</sup> prior year* . . . . .				
<b>Total</b> . . . . .				

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

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

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

## Part 5 – Additional deduction for gifts of medicine

	Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year . . .	U		
Additional deduction for gifts of medicine expired after 5 tax years* . . . .	<b>639</b>		
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U <b>minus</b> line 639) . . . . .	<b>640</b>		
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>650</b>		
Additional deduction for gifts of medicine made before March 22, 2017:			
Proceeds of disposition . . . . .	<b>602</b>		
Cost of gifts of medicine made before March 22, 2017 . . . . .	<b>601</b>		
Subtotal (line 602 <b>minus</b> line 601)	V		
Amount V <b>multiplied</b> by 50 % . . . . .	W		
Eligible amount of gifts . . . . .	<b>600</b>		
<b>Federal</b>	Additional deduction for gifts of medicine made before March 22, 2017 . . . . .		
a _____ x $\left( \frac{b}{c} \right)$ =	<b>610</b>		
<b>Québec</b>	Additional deduction for gifts of medicine made before March 22, 2017 . . . . .		
a _____ x $\left( \frac{b}{c} \right)$ =			
<b>Alberta</b>	Additional deduction for gifts of medicine made before March 22, 2017 . . . . .		
a _____ x $\left( \frac{b}{c} \right)$ =			
where:			
<b>a</b> is the <b>lesser</b> of line 601 and amount W			
<b>b</b> is the eligible amount of gifts (line 600)			
<b>c</b> is the proceeds of disposition (line 602)			
Subtotal (line 650 <b>plus</b> line 610)	X		
Subtotal (line 640 <b>plus</b> amount X)	Y		
Adjustment for an acquisition of control . . . . .	<b>655</b>		
Amount applied in the current year against taxable income . . . . .	<b>660</b>		
(enter this amount on line 315 of the T2 return)			
Subtotal (line 655 <b>plus</b> line 660)	Z		
Additional deduction for gifts of medicine closing balance (amount Y <b>minus</b> amount Z) . . . . .	<b>680</b>		

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



## Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1 <sup>st</sup> prior year	2018-12-31			
2 <sup>nd</sup> prior year	2017-12-31			
3 <sup>rd</sup> prior year	2016-12-31			
4 <sup>th</sup> prior year	2015-12-31			
5 <sup>th</sup> prior year	2014-12-31			
6 <sup>th</sup> prior year*	2013-12-31			
7 <sup>th</sup> prior year	2012-12-31			
8 <sup>th</sup> prior year	2011-12-31			
9 <sup>th</sup> prior year	2010-12-31			
10 <sup>th</sup> prior year	2009-12-31			
11 <sup>th</sup> prior year	2008-12-31			
12 <sup>th</sup> prior year	2007-12-31			
13 <sup>th</sup> prior year	2006-12-31			
14 <sup>th</sup> prior year	2005-12-31			
15 <sup>th</sup> prior year	2004-12-31			
16 <sup>th</sup> prior year	2003-12-31			
17 <sup>th</sup> prior year	2002-12-31			
18 <sup>th</sup> prior year	2001-12-31			
19 <sup>th</sup> prior year	2000-12-31			
20 <sup>th</sup> prior year				
21 <sup>st</sup> prior year*				
<b>Total</b>				

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

## Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

Year of origin:			Québec
1 <sup>st</sup> prior year		2018-12-31	
2 <sup>nd</sup> prior year		2017-12-31	
3 <sup>rd</sup> prior year		2016-12-31	
4 <sup>th</sup> prior year		2015-12-31	
5 <sup>th</sup> prior year		2014-12-31	
6 <sup>th</sup> prior year*		2013-12-31	
7 <sup>th</sup> prior year		2012-12-31	
8 <sup>th</sup> prior year		2011-12-31	
9 <sup>th</sup> prior year		2010-12-31	
10 <sup>th</sup> prior year		2009-12-31	
11 <sup>th</sup> prior year		2008-12-31	
12 <sup>th</sup> prior year		2007-12-31	
13 <sup>th</sup> prior year		2006-12-31	
14 <sup>th</sup> prior year		2005-12-31	
15 <sup>th</sup> prior year		2004-12-31	
16 <sup>th</sup> prior year		2003-12-31	
17 <sup>th</sup> prior year		2002-12-31	
18 <sup>th</sup> prior year		2001-12-31	
19 <sup>th</sup> prior year		2000-12-31	
20 <sup>th</sup> prior year			
21 <sup>st</sup> prior year*			
Total			

\* These gifts expired in the current year.





## Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3).
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends received from a foreign source.
- Column F1 – Enter the code that applies to the deductible taxable dividend.

### Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only** if the payer corporation is **connected**.

#### Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing column J and K use the **special calculations provided in the notes**.

1	A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is <b>connected</b>	C Business Number of <b>connected</b> corporation	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	E Non-taxable dividends under section 83
	200		205	210	220	230
			2			
Total of column E (enter amount on line 402 of Schedule 1)						

**Part 1 – Dividends received in the tax year (continued)**

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d) <sup>note 1</sup>	F1	G Eligible dividends included in column F	H Total taxable dividends paid by <b>connected</b> payer corporation (for tax year in column D)	I Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>note 2</sup>	J Part IV tax for eligible dividends. Dividends (from column G) <b>multiplied</b> by 38 1/3% <sup>note 3</sup>	K Part IV tax before deductions. Dividends (from column F) <b>multiplied</b> by 38 1/3% <sup>note 4</sup>
	<b>240</b>		<b>242</b>	<b>250</b>	<b>260</b>	<b>265</b>	<b>275</b>
1							
Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) . . . . .							1A
Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) . . . . .							1B
Subtotal (amount 1A <b>plus</b> amount 1B, include this amount on line 320 of the T2 Return) _____							1C
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) . . . . .							1D
Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) . . . . .							1E
Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) . . . . .							1F
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) . . . . .							1G
Subtotal (amount 1F <b>plus</b> amount 1G) _____							1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) . . . . .							1I
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) . . . . .							1J
Subtotal (amount 1I <b>plus</b> amount 1J) _____							1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H <b>minus</b> amount 1K) . . . . .							1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column J or column K whichever one applies. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

## Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) ..... 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) ..... **320**

Subtotal (amount 2A minus line 320) ..... 2B

Current-year non-capital loss claimed to reduce Part IV tax ..... **330**

Non-capital losses from previous years claimed to reduce Part IV tax ..... **335**

Current-year farm loss claimed to reduce Part IV tax ..... **340**

Farm losses from previous years claimed to reduce Part IV tax ..... **345**

Total losses applied against Part IV tax (total of lines 330 to 345) ..... 2C

Amount 2C multiplied by 38 1 / 3 % ..... 2D

**Part IV tax payable** (amount 2B minus amount 2D, if negative enter "0") ..... **360**

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations <sup>note 5</sup> (amount 1F in part 1) ..... 2E

Amount 4A from Schedule 43 ..... 2F

**Part IV tax payable on taxable dividends received from connected corporations** (amount 2E minus amount 2F, if negative enter "0") ..... 2G

(enter at amount L on page 7 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) ..... 2H

Amount 4C from Schedule 43 ..... 2I

**Part IV tax payable on eligible dividends received from non-connected corporations** (amount 2H minus amount 2I, if negative enter "0") ..... 2J

(enter at amount M on page 7 of the T2 return)

5 The program calculates the amount on line 2E from the amount on line 1F. If only a portion of the dividend refund to the connected payer corporation results in an eligible refundable dividend tax on hand (ERDTH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTH, the amount on line 2E must be equal to "0."

## Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	<b>440</b>
1	North Bay Hydro Holdings Limited	89999 9999 RC0001	2019-12-31	1,329,025	
2					
				1,329,025	
				(Total of column O)	(Total of column P)

**Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)**

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O <b>plus</b> line 450)	460	1,329,025
Total eligible dividends paid in the tax year (total of column P <b>plus</b> line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 <b>minus</b> line 465)	470	1,329,025
Complete this part to determine the following amounts in order to calculate the dividend refund.		
Line 465 <b>multiplied by</b> 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 <b>multiplied by</b> 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)		509,460 3B

**Part 4 – Total dividends paid in the tax year**

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		1,329,025
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,329,025
Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 <b>minus</b> amount 4A)		1,329,025 4B

## Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

### Part 1 – Non-capital losses

#### Determination of current-year non-capital loss

Net income (loss) for income tax purposes ..... 554,134 A

#### Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) ..... a

Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) ..... b

Amount of Part VI.1 tax deductible under paragraph 110(1)(k) ..... c

Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) ..... d

Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e) ..... 1d

Subtotal (total of amounts a to 1d) ..... B

Subtotal (amount A **minus** amount B; if positive, enter "0") ..... C

#### Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions ..... D

Subtotal (amount C **minus** amount D) ..... E

#### Add: (decrease a loss)

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) ..... F

Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") ..... G

If amount G is negative, enter it on line 110 as a positive.

#### Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year ..... 22,474 e

**Deduct:** Non-capital loss expired (note 1) ..... 100 f

Non-capital losses at the beginning of the tax year (amount e **minus** amount f) ..... 102 22,474 H

#### Add:

Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation ..... 105 g

Current-year non-capital loss (from amount G) ..... 110 h

Subtotal (amount g **plus** amount h) ..... I

Subtotal (amount H **plus** amount I) ..... 22,474 J

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

## Part 1 – Non-capital losses (continued)

### Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	22,474 k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)	22,474	22,474 K
Non-capital losses before any request for a carryback (amount J minus amount K)		

### Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)	180	N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

## Part 2 – Capital losses

### Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		A

### Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		B
Subtotal (amount A minus amount B)		C

**Add:** Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 210 D

Unused non-capital losses that expired in the tax year (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000	220	E
Subtotal (total of amounts C to E)		F

### Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.



## Part 2 – Capital losses (continued)

<b>Deduct:</b> Capital losses from previous tax years applied against the current-year net capital gain (note 6)	225	G
Capital losses before any request for a carryback (amount F <b>minus</b> amount G)		H
<b>Deduct – Request to carry back capital loss to (note 7):</b>		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	h
Second previous tax year	952	i
Third previous tax year	28,208 953	j
	Subtotal (total of amounts h to j)	I
	Closing balance of capital losses to be carried forward to future tax years (amount H <b>minus</b> amount I)	280 J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

## Part 3 – Farm losses

### Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		a
<b>Deduct:</b> Farm loss expired (note 8)	300	b
Farm losses at the beginning of the tax year (amount a <b>minus</b> amount b)	302	A
<b>Add:</b>		
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	305	c
Current-year farm loss (amount F in Part 1)	310	d
	Subtotal (amount c <b>plus</b> amount d)	B
	Subtotal (amount A <b>plus</b> amount B)	C
<b>Deduct:</b>		
Other adjustments (includes adjustments for an acquisition of control)	350	e
Section 80 – Adjustments for forgiven amounts	340	f
Farm losses of previous tax years applied in the current tax year	330	g
Enter amount g on line 334 of the T2 Return.		
Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9)	335	h
	Subtotal (total of amounts e to h)	D
	Farm losses before any request for a carryback (amount C <b>minus</b> amount D)	E

### Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	i
Second previous tax year to reduce taxable income	922	j
Third previous tax year to reduce taxable income	923	k
First previous tax year to reduce taxable dividends subject to Part IV tax	931	l
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	m
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	n
	Subtotal (total of amounts i to n)	F
	Closing balance of farm losses to be carried forward to future tax years (amount E <b>minus</b> amount F)	380 G

Note 8: A farm loss expires as follows:

- after 10 tax years if it arose in a tax year ending before 2006; and
- after 20 tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

## Part 4 – Restricted farm losses

### Current-year restricted farm loss

Total losses for the year from farming business ..... **485** ..... A

#### Minus the deductible farm loss:

(amount A above ..... – \$2,500) divided by 2 = ..... a

Amount a or \$ 15,000 (note 10), whichever is less ..... **2,500** ..... b

Subtotal (amount b plus amount c) ..... **2,500** ..... **2,500** ..... B

Current-year restricted farm loss (amount A minus amount B) ..... C

### Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year ..... d

**Deduct:** Restricted farm loss expired (note 11) ..... **400** ..... e

Restricted farm losses at the beginning of the tax year (amount d minus amount e) ..... **402** ..... D

#### Add:

Restricted farm losses transferred on an amalgamation or on the wind-up  
of a subsidiary corporation ..... **405** ..... f

Current-year restricted farm loss (from amount C) ..... **410** ..... g

Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.

Subtotal (amount f plus amount g) ..... E

Subtotal (amount D plus amount E) ..... F

#### Deduct:

Restricted farm losses from previous tax years applied against current farming income ..... **430** ..... h

Enter amount h on line 333 of the T2 return.

Section 80 – Adjustments for forgiven amounts ..... **440** ..... i

Other adjustments ..... **450** ..... j

Subtotal (total of amounts h to j) ..... G

Restricted farm losses before any request for a carryback (amount F minus amount G) ..... H

### Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income ..... **941** ..... k

Second previous tax year to reduce farming income ..... **942** ..... l

Third previous tax year to reduce farming income ..... **943** ..... m

Subtotal (total of amounts k to m) ..... I

Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I) ..... **480** ..... J

#### Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

## Part 5 – Listed personal property losses

### Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year ..... a

**Deduct:** Listed personal property loss expired after 7 tax years ..... **500** ..... b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** ..... **▶** ..... A

**Add:** Current-year listed personal property loss (from Schedule 6) ..... **510** ..... B

Subtotal (amount A **plus** amount B) ..... C

### Deduct:

Listed personal property losses from previous tax years applied against listed personal property gains ..... **530** ..... c

Enter amount c on line 655 of Schedule 6.

Other adjustments ..... **550** ..... d

Subtotal (amount c **plus** amount d) ..... **▶** ..... D

Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) ..... E

### Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains ..... **961** ..... e

Second previous tax year to reduce listed personal property gains ..... **962** ..... f

Third previous tax year to reduce listed personal property gains ..... **963** ..... g

Subtotal (total of amounts e to g) ..... **▶** ..... F

Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** ..... G

## Part 7 – Limited partnership losses

### Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 <b>minus</b> column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 <b>minus</b> column 6)
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>
1.						
<b>Total</b> (enter this amount on line 222 of Schedule 1)						

### Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 <b>minus</b> column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
<b>630</b>	<b>632</b>	<b>634</b>	<b>636</b>	<b>638</b>		<b>650</b>
1.						

### Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 <b>plus</b> column 3 <b>plus</b> column 4 <b>minus</b> column 5)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>
1.					
<b>Total</b> (enter this amount on line 335 of the T2 return)					

#### Note

If you need more space, you can attach more schedules.

## Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box

..... **190** Yes ☐

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

#### Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

# Non-Capital Loss Continuity Workchart

## Part 6 – Analysis of balance of losses by year of origin

### Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2018-12-31	22,474	N/A		N/A	22,474		
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
5th preceding taxation year 2014-12-31		N/A		N/A			
6th preceding taxation year 2013-12-31		N/A		N/A			
7th preceding taxation year 2012-12-31		N/A		N/A			
8th preceding taxation year 2011-12-31		N/A		N/A			
9th preceding taxation year 2010-12-31		N/A		N/A			
10th preceding taxation year 2009-12-31		N/A		N/A			
11th preceding taxation year 2008-12-31		N/A		N/A			
12th preceding taxation year 2007-12-31		N/A		N/A			
13th preceding taxation year 2006-12-31		N/A		N/A			
14th preceding taxation year 2005-12-31		N/A		N/A			
15th preceding taxation year 2004-12-31		N/A		N/A			
16th preceding taxation year 2003-12-31		N/A		N/A			
17th preceding taxation year 2002-12-31		N/A		N/A			
18th preceding taxation year 2001-12-31		N/A		N/A			
19th preceding taxation year 2000-12-31		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
<b>Total</b>	22,474				22,474		

\* This balance expires this year and will not be available next year.



Canada Revenue Agency  
Agence du revenu du Canada

## Tax Calculation Supplementary – Corporations

## Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1),
  - is claiming provincial or territorial tax credits or rebates (see Part 2), or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

### Part 1 – Allocation of taxable income

100		Enter the Regulation that applies (402 to 413)				
A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year *		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore	004 Yes <input type="checkbox"/>	104		144		
Prince Edward Island	005 Yes <input type="checkbox"/>	105		145		
Nova Scotia	007 Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore	008 Yes <input type="checkbox"/>	108		148		
New Brunswick	009 Yes <input type="checkbox"/>	109		149		
Quebec	011 Yes <input type="checkbox"/>	111		151		
Ontario	013 Yes <input type="checkbox"/>	113		153		
Manitoba	015 Yes <input type="checkbox"/>	115		155		
Saskatchewan	017 Yes <input type="checkbox"/>	117		157		
Alberta	019 Yes <input type="checkbox"/>	119		159		
British Columbia	021 Yes <input type="checkbox"/>	121		161		
Yukon	023 Yes <input type="checkbox"/>	123		163		
Northwest Territories	025 Yes <input type="checkbox"/>	125		165		
Nunavut	026 Yes <input type="checkbox"/>	126		166		
Outside Canada	027 Yes <input type="checkbox"/>	127		167		
Total		129 G		169 H		

\* **Permanent establishment** is defined in subsection 400(2)

\*\* For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

#### Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

## Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
463,129		463,129	53,260

Ontario basic income tax (from Schedule 500)	270	53,260	
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 minus line 402)		53,260	5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 plus line 277)			5B
Gross Ontario tax (amount 5A plus amount 5B)		53,260	5C
Ontario resource tax credit (from Schedule 504)	404		
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 404 to 415)			5D
Subtotal (amount 5C minus amount 5D) (if negative, enter "0")		53,260	5E
Ontario research and development tax credit (from Schedule 508)	416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E minus line 416) (if negative, enter "0")		53,260	5F
Ontario corporate minimum tax credit (from Schedule 510)	418		
Ontario community food program donation tax credit for farmers (from Schedule 2)	420		
Ontario corporate income tax payable (amount 5F minus the total of lines 418 and 420) (if negative, enter "0")		53,260	5G
Ontario corporate minimum tax (from Schedule 510)	278	2,395	
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 plus line 280)		2,395	5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)		55,655	5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452		
Ontario apprenticeship training tax credit (from Schedule 552)	454		
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario sound recording tax credit (from Schedule 562)	464		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario refundable tax credits (total of lines 450 to 470)			5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.	290	55,655	

## Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255 55,655

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.



## Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes ☐ No ☒

1 Class number *  See note 1	Description	2  Undepreciated capital cost (UCC) at the beginning of the year	3  Cost of acquisitions during the year (new property must be available for use)  See note 2	4  Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP)  See note 3	5  Adjustments and transfers  See note 4	6  Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition  See note 5	7  Amount from column 5 that is repaid during the year for a property, subsequent to its disposition  See note 6	8  Proceeds of dispositions  See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
<b>200</b>		<b>201</b>	<b>203</b>	<b>225</b>	<b>205</b>	<b>221</b>	<b>222</b>	<b>207</b>	<b>211</b>
1. 1		23,091,252	40,195	40,195				0	
2. 8		391,079	52,201	52,201				0	
3. 10		655,726	431,519	431,519				34,000	
4. 10		543						0	
5. 1		1,640,221						0	
6. 45		192						0	
7. 47		37,999,029	5,768,337	5,768,337				0	
8. 50		327,701	322,859	322,859				0	
9. 17	Parking Lot	297,455						0	
10. 90	Construction in progress	2,286,360	1,139,794	1,139,794	-1,648,787			0	
<b>Totals</b>		<b>66,689,558</b>	<b>7,754,905</b>	<b>7,754,905</b>	<b>-1,648,787</b>			<b>34,000</b>	

1 Class number *  See note 1	Des- crip- tion	9  UCC (column 2 <b>plus</b> column 3 <b>plus</b> or <b>minus</b> column 5)  See note 8	10  Proceeds of disposition available to reduce the UCC of AIIP (column 8 <b>plus</b> column 6 <b>minus</b> column 3 <b>plus</b> column 4 <b>minus</b> column 7) (if negative, enter "0")	11  Net capital cost additions of AIIP acquired during the year (column 4 <b>minus</b> column 10) (if negative, enter "0")	12  UCC adjustment for AIIP acquired during the year (column 11 <b>multiplied</b> by the relevant factor)  See note 9	13  UCC adjustment for non-AIIP acquired during the year (0.5 <b>multiplied</b> by the result of column 3 <b>minus</b> column 4 <b>minus</b> column 6 <b>plus</b> column 7 <b>minus</b> column 8) (if negative, enter "0")  See note 10	14  CCA rate %  See note 11	15  Recapture of CCA  See note 12	16  Terminal loss  See note 13	17  CCA (for declining balance method, the result of column 9 <b>plus</b> column 12 <b>minus</b> column 13, <b>multiplied</b> by column 14 or a lower amount)  See note 14	18  UCC at the end of the year (column 9 <b>minus</b> column 17)
<b>200</b>						<b>224</b>	<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1. 1		23,131,447		40,195	20,098		4	0	0	926,062	22,205,385



1 Class number *	Des- crip- tion	9 UCC (column 2 <b>plus</b> column 3 <b>plus</b> or <b>minus</b> column 5 <b>minus</b> column 8)  See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 <b>plus</b> column 6 <b>minus</b> column 3 <b>plus</b> column 4 <b>minus</b> column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 <b>minus</b> column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 <b>multiplied</b> by the relevant factor)  See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 <b>multiplied</b> by the result of column 3 <b>minus</b> column 4 <b>minus</b> column 6 <b>plus</b> column 7 <b>minus</b> column 8) (if negative, enter "0")  See note 10	14 CCA rate %  See note 11	15 Recapture of CCA  See note 12	16 Terminal loss  See note 13	17 CCA (for declining balance method, the result of column 9 <b>plus</b> column 12 <b>minus</b> column 13, <b>multiplied</b> by column 14 or a lower amount)  See note 14	18 UCC at the end of the year (column 9 <b>minus</b> column 17)
<b>200</b>						<b>224</b>	<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
2.	8	443,280		52,201	26,101		20	0	0	93,876	349,404
3.	10	1,053,245	34,000	397,519	198,760		30	0	0	375,602	677,643
4.	10	543					30	0	0	163	380
5.	1	1,640,221					4	0	0	65,609	1,574,612
6.	45	192					45	0	0	86	106
7.	47	43,767,366		5,768,337	2,884,169		8	0	0	2,857,123	40,910,243
8.	50	650,560		322,859	161,430		55	0	0	446,595	203,965
9.	17	Parking	297,455				8	0	0	23,796	273,659
10.	90	Constr	1,777,367		1,139,794	569,897	0	0	0		1,777,367
<b>Totals</b>		72,761,676	34,000	7,720,905	3,860,455					4,788,912	67,972,764

Enter the total of column 15 on line 107 of Schedule 1.  
Enter the total of column 16 on line 404 of Schedule 1.  
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
  - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
  - 1 1/2 for property in Class 55;
  - 1 for property in Classes 43.2 and 53;
  - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
  - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
  - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
  - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
  - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
  - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
  - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
  - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
  - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
  - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

## Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

### Tax return

Additions for tax purposes – Schedule 8 regular classes		7,754,905	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
Other (specify):			
adjustment of PY WIP included in additions	+	-1,648,787	
<b>Total additions per books</b>	=	<b>6,106,118</b>	<b>6,106,118</b>
Proceeds up to original cost – Schedule 8 regular classes		34,000	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
Other (specify):			
Contributed capital	+		
difference not adjusted	+	33,987	
<b>Total proceeds per books</b>	=	<b>67,987</b>	<b>67,987</b>
Depreciation and amortization per accounts – Schedule 1			– 2,981,841
Loss on disposal of fixed assets per accounts			– 90,272
Gain on disposal of fixed assets per accounts			+
<b>Net change per tax return</b>	=		<b>2,966,018</b>

### Financial statements

#### Fixed assets (excluding land) per financial statements

Closing net book value		71,675,795	
Opening net book value	–	68,709,777	
<b>Net change per financial statements</b>	=		<b>2,966,018</b>

If the amounts from the tax return and the financial statements differ, explain why below.

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RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

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

	Name  <b>100</b>	Country of resi- dence (other than Canada)  <b>200</b>	Business number (see note 1)  <b>300</b>	Rela- tion- ship code (see note 2)  <b>400</b>	Number of common shares you own  <b>500</b>	% of common shares you own  <b>550</b>	Number of preferred shares you own  <b>600</b>	% of preferred shares you own  <b>650</b>	Book value of capital stock  <b>700</b>
1.	North Bay Hydro Holdings Limited		86712 3580 RC0001	1					
2.	North Bay Hydro Services Inc		86450 3511 RC0001	3					
3.	North Bay Hydro Generation Limitec		89117 4401 RC0001	3					
4.	The Corporation of the City of Nortl		12174 5962 RC0001	1					
5.	Espanola Regional Hydro Distributio		86489 8390 RC0001	3					

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

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

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

**Column 1:** Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

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

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

**Column 4:** Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.  
Ensure that the total at line A does not exceed \$500,000.

### Allocating the business limit

Date filed (do not use this area) .....	<b>025</b>	Year Month Day
Enter the calendar year the agreement applies to .....	<b>050</b>	Year 2019
Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....	<b>075</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	<b>100</b>	<b>200</b>	<b>300</b>		<b>350</b>	<b>400</b>
1	North Bay Hydro Distribution Limited	88246 3128 RC0001	1	500,000	100.0000	500,000
2	North Bay Hydro Holdings Limited	86712 3580 RC0001	1	500,000		
3	North Bay Hydro Services Inc	86450 3511 RC0001	1	500,000		
4	North Bay Hydro Generation Limited	89117 4401 RC0001	1	500,000		
5	The Corporation of the City of North Bay	12174 5962 RC0001	4			
6	Espanola Regional Hydro Distribution Corporat	86489 8390 RC0001	1	500,000		
	<b>Total</b>				<b>100.0000</b>	<b>500,000</b>

A

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

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula  $0.225\% \times (C - \$10,000,000)$ . Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

**Special rules for business limit**

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

T2 SCH 23 E (19)

Canada



## Investment Tax Credit – Corporations

### General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit**.
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

### Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes, Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

## Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

## Part 1 – Investments, expenditures, and percentages

	Specified percentage
<b>Investments</b>	
Qualified property acquired primarily for use in Atlantic Canada . . . . .	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014 . . . . .	10 %
– after 2013 and before 2016 . . . . .	5 %
– after 2015* . . . . .	0 %
<b>Expenditures</b>	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10) . . . . .	35 %
<b>Note:</b> If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014** . . . . .	20 %
– after 2013** . . . . .	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012 . . . . .	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013 . . . . .	10 %
– in 2013 . . . . .	5 %
– after 2013 . . . . .	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014 . . . . .	10 %
– in 2014 . . . . .	7 %
– in 2015 . . . . .	4 %
– after 2015 . . . . .	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment . . . . .	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children . . . . .	25 %
* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a <b>phase</b> of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of <b>specified percentage</b> in subsection 127(9) for more information.	
** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.	
*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of <b>specified percentage</b> in subsection 127(9) for more information.	



Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

## Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? ..... **101** 1 Yes ☐ 2 No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

**Note:** A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund\*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund\*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- any combination of persons referred to in a) or b) above.

\* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

## Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? ..... **102** 1 Yes ☐ 2 No ☒

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED\* ..... **103** \_\_\_\_\_  
Enter on line 350 of Part 8.

\* Enter only contributions not already included on Form T661.

Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

## Qualified Property and Qualified Resource Property

## Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number <b>105</b>	Description of investment <b>110</b>	Date available for use <b>115</b>	Location used in Atlantic Canada (province) <b>120</b>	Amount of investment <b>125</b>
Total of investments for qualified property and qualified resource property				

A1

## Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year		B1
Credit deemed as a remittance of co-op corporations	<b>210</b>	
Credit expired	<b>215</b>	
Subtotal (line 210 <b>plus</b> line 215)	<b>▶</b>	C1
ITC at the beginning of the tax year (amount B1 <b>minus</b> amount C1)	<b>220</b>	
Credit transferred on an amalgamation or the wind-up of a subsidiary	<b>230</b>	
ITC from repayment of assistance	<b>235</b>	
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ..... x 10 % = <b>240</b>		
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ..... x 5 % = <b>242</b>		
Credit allocated from a partnership	<b>250</b>	
Subtotal (total of lines 230 to 250)	<b>▶</b>	D1
Total credit available (line 220 <b>plus</b> amount D1)		E1
Credit deducted from Part I tax	<b>260</b>	
Credit carried back to previous years (amount H1 in Part 6)	a	
Credit transferred to offset Part VII tax liability	<b>280</b>	
Subtotal (total of line 260, amount a, and line 280)	<b>▶</b>	F1
Credit balance before refund (amount E1 <b>minus</b> amount F1)		G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)	<b>310</b>	
<b>ITC closing balance of investments from qualified property and qualified resource property</b> (amount G1 <b>minus</b> line 310)	<b>320</b>	

\* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

## Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	<table border="1" style="border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr><td style="height: 15px;"></td></tr> <tr><td style="height: 15px;"></td></tr> <tr><td style="height: 15px;"></td></tr> </table>	Year	Month	Day					<b>901</b> <b>902</b> <b>903</b>	
Year	Month	Day								
1st previous tax year		Credit to be applied								
2nd previous tax year		Credit to be applied								
3rd previous tax year		Credit to be applied								
Total of lines 901 to 903				H1						
Enter at amount a in Part 5.										

## Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)		I1
Credit balance before refund (from amount G1 in Part 5)		J1
<b>Refund</b> ( 40 % of amount I1 or J1, whichever is less)		K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

## SR&ED

### Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)	_____	
Contributions to agricultural organizations for SR&ED	_____	
<b>Deduct:</b>		
Government assistance, non-government assistance, or contract payment	_____	
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*	_____	<b>+</b>
Current expenditures (line 557 on Form T661 <b>plus</b> line 103 in Part 3)*	_____	<b>350</b>
Capital expenditures incurred <b>before</b> 2014 (from line 558 on Form T661)**	_____	<b>360</b>
Repayments made in the year (from line 560 on Form T661)	_____	<b>370</b>
<b>Qualified SR&amp;ED expenditures</b> (total of lines 350 to 370)	_____	<b>380</b>

\* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

\*\* Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

### Part 9 – Components of the SR&ED expenditure limit calculation

**Part 9 only applies if you are a CCPC.**

**Note:** A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? ..... **385** 1 Yes ☐ 2 No ☒

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.

If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year\* (prior to any loss carrybacks applied) ..... **390**

Enter your taxable capital employed in Canada for the previous tax year 84,736,303  
minus \$10 million. If this amount is nil or negative, enter "0".

If this amount is over \$40 million, enter \$40 million ..... **398** 40,000,000

\* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

### Part 10 – SR&ED expenditure limit for a CCPC

<b>For a stand-alone (not associated) corporation:</b>		<b>\$ 8,000,000</b>	
Taxable income for the previous tax year (line 390 in Part 9) or \$500,000, whichever is more	500,000	x 10 =	<b>5,000,000</b> A2
Excess (\$8,000,000 <b>minus</b> amount A2 if the taxation year ends before March 19, 2019; otherwise, enter \$3,000,000) (if negative, enter "0")*			<b>3,000,000</b> B2
\$ 40,000,000 <b>minus</b> line 398 in Part 9		b	
Amount b <b>divided</b> by \$ 40,000,000			C2
<b>Expenditure limit for the stand-alone corporation</b> (amount B2 <b>multiplied</b> by amount C2)**			D2
<b>For an associated corporation:</b>			
If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49**		<b>400</b>	E2
<b>If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:</b>			
Amount D2 or E2	x	Number of days in the tax year	F2
		365	
<b>Your SR&amp;ED expenditure limit for the year</b> (enter amount D2, E2, or F2, whichever applies)		<b>410</b>	

\* For taxation years ending after March 18, 2019, the taxable income is no longer taken into account in the SR&ED expenditure limit calculation. For more information, consult the Help (F1).

\*\* Amount D2 or E2 cannot be more than \$3,000,000.

## Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or  
the expenditure limit (from line 410 in Part 10), whichever is less\* . . . . . **420** x 35 % = G2

Line 350 **minus** line 410 (if negative, enter "0") . . . . . **430**

Amount from line 430 x  $\frac{\text{Number of days in the tax year before 2014}}{\text{Number of days in the tax year}}$  x 20% = c

Amount from line 430\*\* x  $\frac{\text{Number of days in the tax year after 2013}}{\text{Number of days in the tax year}}$  x  $\frac{365}{365}$  x 15 % = d

Subtotal (amount c **plus** amount d) . . . . . H2

Line 410 **minus** line 350 (if negative, enter "0") . . . . . e

Capital expenditures (line 360 in Part 8) or amount e,  
whichever is less\* . . . . . **440** x 35 % = I2

Line 360 **minus** amount e (if negative, enter "0") . . . . . **450**

Amount from line 450 x  $\frac{\text{Number of days in the tax year before 2014}}{\text{Number of days in the tax year}}$  x 20% = f

Amount from line 450\*\* x  $\frac{\text{Number of days in the tax year after 2013}}{\text{Number of days in the tax year}}$  x  $\frac{365}{365}$  x 15 % = g

Subtotal (amount f **plus** amount g) . . . . . J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

**Repayments** (amount from line 370 in Part 8) . . . . .

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a  
qualifying expenditure for a CCPC\*\*\* . . . . . **460** x 35 % = h

Repayment of assistance made after  
September 16, 2016 that reduced a  
qualifying expenditure incurred before 2015 . . . . . **480** x 20 % = i

Repayment of assistance made after  
September 16, 2016 that reduced a  
qualifying expenditure incurred after 2014 . . . . . **490** x 15 % = j

Subtotal (**add** amounts h to j) . . . . . K2

**Current-year SR&ED ITC** (total of amounts G2 to K2; enter on line 540 in Part 12) . . . . . L2

\* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

\*\* For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

\*\*\* If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

ITC at the end of the previous tax year		M2
Credit deemed as a remittance of co-op corporations	510	
Credit expired	515	
Subtotal (line 510 plus line 515)		N2
ITC at the beginning of the tax year (amount M2 minus amount N2)	520	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530	
Total current-year credit (from amount L2 in Part 11)	540	
Credit allocated from a partnership	550	
Subtotal (total of lines 530 to 550)		O2
Total credit available (line 520 plus amount O2)		P2
Credit deducted from Part I tax	560	
Credit carried back to previous years (amount S2 in Part 13)		k
Credit transferred to offset Part VII tax liability	580	
Subtotal (total of line 560, amount k, and line 580)		Q2
Credit balance before refund (amount P2 minus amount Q2)		R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)	610	
ITC closing balance on SR&ED (amount R2 minus line 610)	620	

	Year	Month	Day			
1st previous tax year				.....	Credit to be applied	<b>911</b> _____
2nd previous tax year				.....	Credit to be applied	<b>912</b> _____
3rd previous tax year				.....	Credit to be applied	<b>913</b> _____
					Total of lines 911 to 913	===== S2
					Enter at amount k in Part 12.	=====

## Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? ..... **650** 1 Yes ☐ 2 No ☒

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) ..... I

Refundable credits (amount I or amount R2 in Part 12, whichever is less)\* ..... T2

Amount T2 or amount G2 in Part 11, whichever is less ..... U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") ..... V2

Amount V2 **multiplied** by 40 % ..... W2

Amount U2 ..... X2

**Refund of ITC** (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) ..... Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

\* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

## Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) ..... Z2

Amount Z2 or amount G2 in Part 11, whichever is less ..... AA2

Net amount (amount Z2 **minus** amount AA2; if negative, enter "0") ..... BB2

Amount BB2 or amount I2 in Part 11, whichever is less ..... CC2

Amount CC2 **multiplied** by 40 % ..... DD2

Amount AA2 ..... EE2

**Refund of ITC** (amount DD2 **plus** amount EE2) ..... FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

## Recapture – SR&ED

### Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

#### Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

#### Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the <b>note</b> above	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case)	Amount from column 700 or 710, whichever is less
<b>700</b>	<b>710</b>	
<b>Subtotal</b> Enter at amount C3 in Part 17.		<b>A3</b>

#### Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A	B	C	D	E	F
Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition	Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.)	Amount determined by the formula $(A \times B) - C$	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
<b>720</b>	<b>730</b>	<b>740</b>		<b>750</b>	
<b>Subtotal (total of column F)</b> Enter at amount D3 in Part 17.					<b>B3</b>

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC

760

Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16	.....	C3
Recaptured ITC from calculation 2, amount B3 in Part 16	.....	D3
Recaptured ITC from calculation 3, line 760 in Part 16	.....	E3
<b>Total recapture of SR&amp;ED investment tax credit</b> (total of amounts C3 to E3)	.....	<b>F3</b>
Enter at amount A8 in Part 29.		



## Pre-Production Mining

### Part 18 – Pre-production mining expenditures

#### Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805
Mineral title 806	Mining division 807

#### Pre-production mining expenditures\*

##### Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810
Geological, geophysical, or geochemical surveys	811
Drilling by rotary, diamond, percussion, or other methods	812
Trenching, digging test pits, and preliminary sampling	813

##### Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820
Sinking a mine shaft, constructing an adit, or other underground entry	821

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826
Total of column 826	

► A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4) 830

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above 832

Excess (line 830 minus line 832) (if negative, enter "0") B4

Repayments of government and non-government assistance 835

Pre-production mining expenditures (amount B4 plus line 835) C4

\* A pre-production mining expenditure is defined under subsection 127(9).

\* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

\*\* Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

	Year	Month	Day			
1st previous tax year				.....	Credit to be applied	<b>921</b> _____
2nd previous tax year				.....	Credit to be applied	<b>922</b> _____
3rd previous tax year				.....	Credit to be applied	<b>923</b> _____
					Total of lines 921 to 923	_____ 14
					Enter at amount q in Part 19.	=====

## Apprenticeship Job Creation

### Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.)

**611**

1 Yes ☐

2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or \$ 2,000
<b>601</b>	<b>602</b>	<b>603</b>	<b>604</b>	<b>605</b>

Total current-year credit (total of column E)  
Enter on line 640 in Part 22.

A5

\* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

### Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year	2,000	B5
Credit deemed as a remittance of co-op corporations	<b>612</b>	
Credit expired after 20 tax years	<b>615</b>	
Subtotal (line 612 plus line 615)	▶	C5
ITC at the beginning of the tax year (amount B5 minus amount C5)	<b>625</b>	2,000
Credit transferred on an amalgamation or the wind-up of a subsidiary	<b>630</b>	
ITC from repayment of assistance	<b>635</b>	
Total current-year credit (amount A5 in Part 21)	<b>640</b>	
Credit allocated from a partnership	<b>655</b>	
Subtotal (total of lines 630 to 655)	▶	D5
Total credit available (line 625 plus amount D5)	2,000	E5
Credit deducted from Part I tax	<b>660</b>	2,000
Credit carried back to previous years (amount G5 in Part 23)	r	
Subtotal (line 660 plus amount r)	2,000 ▶	2,000 F5
<b>ITC closing balance from apprenticeship job creation expenditures</b> (amount E5 minus amount F5)	<b>690</b>	

### Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				..... Credit to be applied	<b>931</b>	
2nd previous tax year				..... Credit to be applied	<b>932</b>	
3rd previous tax year				..... Credit to be applied	<b>933</b>	
Total of lines 931 to 933						G5
Enter at amount r in Part 22.						

## Child Care Spaces

### Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017\* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

#### Cost of depreciable property from the current tax year

Capital cost allowance class number	Description of investment	Date available for use	Amount of investment
665	675	685	695
1.			
Total cost of depreciable property from the current tax year (total of column 695)			715

Specified child care start-up expenditures from the current tax year	705	
Total gross eligible expenditures for child care spaces (line 715 plus line 705)		A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6	725	
Excess (amount A6 minus line 725) (if negative, enter "0")		B6
Repayments by the corporation of government and non-government assistance	735	
Total eligible expenditures for child care spaces (amount B6 plus line 735)	745	

\* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

### Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of \$10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24)	x	25 %	=	C6
Number of child care spaces	755	x \$	10,000	= D6
ITC from child care spaces expenditures (amount C6 or D6, whichever is less)				E6

**Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures**

ITC at the end of the previous tax year		F6
Credit deemed as a remittance of co-op corporations	<b>765</b>	
Credit expired after 20 tax years	<b>770</b>	
Subtotal (line 765 plus line 770)		G6
ITC at the beginning of the tax year (amount F6 minus amount G6)	<b>775</b>	
Credit transferred on an amalgamation or the wind-up of a subsidiary	<b>777</b>	
Total current-year credit (amount E6 in Part 25)	<b>780</b>	
Credit allocated from a partnership	<b>782</b>	
Subtotal (total of lines 777 to 782)		H6
Total credit available (line 775 plus amount H6)		I6
Credit deducted from Part I tax	<b>785</b>	
Credit carried back to previous years (amount K6 in Part 27)		s
Subtotal (line 785 plus amount s)		J6
ITC closing balance from child care spaces expenditures (amount I6 minus amount J6)	<b>790</b>	

**Part 27 – Request for carryback of credit from child care space expenditures**

	Year	Month	Day			
1st previous tax year	2018	12	31	Credit to be applied	<b>941</b>	
2nd previous tax year	2017	12	31	Credit to be applied	<b>942</b>	
3rd previous tax year	2016	12	31	Credit to be applied	<b>943</b>	
Total of lines 941 to 943						K6
Enter at amount s in Part 26.						

## Recapture – Child Care Spaces

### Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))

792

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC

795

25% of either the proceeds of disposition (if sold in an arm's length transaction)

or the fair market value (in any other case) of the property

797

Amount from line 795 or line 797, whichever is less

A7

#### Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC

799

**Total recapture of child care spaces investment tax credit** (total of line 792, amount A7, and line 799)

B7

Enter at amount B8 in Part 29.

## Summary of Investment Tax Credits

### Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)

A8

Recaptured child care spaces ITC (amount B7 in Part 28)

B8

**Total recapture of investment tax credit** (amount A8 plus amount B8)

C8

Enter on line 602 of the T2 return.

### Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)

D8

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)

E8

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19)

F8

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22)

2,000

G8

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26)

H8

**Total ITC deducted from Part I tax** (total of amounts D8 to H8)

2,000

I8

Enter on line 652 of the T2 return.

## Continuity of investment tax credit carryovers

## Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

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

### Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	<b>101</b>	4,536,742
Capital stock (or members' contributions if incorporated without share capital)	<b>103</b>	19,511,601
Retained earnings	<b>104</b>	19,862,831
Contributed surplus	<b>105</b>	
Any other surpluses	<b>106</b>	
Deferred unrealized foreign exchange gains	<b>107</b>	
All loans and advances to the corporation	<b>108</b>	42,054,897
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	<b>109</b>	
Any dividends declared but not paid by the corporation before the end of the year	<b>110</b>	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	<b>111</b>	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	<b>112</b>	
Subtotal (add lines 101 to 112)		<u>85,966,071</u> ▶ 85,966,071 A

#### Note:

Line 112 is determined by the formula  $(A - B) \times C/D$  (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
  - b) those amounts were computed without reference to amounts owing by the partnership
    - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.



## Part 1 – Capital (continued)

Subtotal A (from page 1) 85,966,071 A

**Deduct** the following amounts:

Deferred tax debit balance at the end of the year . . . . . **121** 513,527

Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year . . . . . **122** \_\_\_\_\_

To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. . . . . **123** \_\_\_\_\_

Deferred unrealized foreign exchange losses at the end of the year . . . . . **124** \_\_\_\_\_

Subtotal (add lines 121 to 124) 513,527 ▶ 513,527 B

**Capital for the year** (amount A minus amount B) (if negative, enter "0") . . . . . **190** 85,452,544

## Part 2 – Investment allowance

**Add** the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation . . . . . **401** \_\_\_\_\_

A loan or advance to another corporation (other than a financial institution) . . . . . **402** \_\_\_\_\_

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) . . . . . **403** \_\_\_\_\_

Long-term debt of a financial institution . . . . . **404** \_\_\_\_\_

A dividend payable on a share of the capital stock of another corporation . . . . . **405** \_\_\_\_\_

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) . . . . . **406** \_\_\_\_\_

An interest in a partnership (see note 2 below) . . . . . **407** \_\_\_\_\_

**Investment allowance for the year** (add lines 401 to 407) . . . . . **490** \_\_\_\_\_

### Notes:

- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
- Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

## Part 3 – Taxable capital

Capital for the year (line 190) . . . . . 85,452,544 C

**Deduct:** Investment allowance for the year (line 490) . . . . . \_\_\_\_\_ D

**Taxable capital for the year** (amount C minus amount D) (if negative, enter "0") . . . . . **500** 85,452,544

## Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	85,452,544	x	Taxable income earned in Canada	610	463,129	=	Taxable capital employed in Canada	690	85,452,544
			Taxable income		463,129				

- Notes:**
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
  2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
  3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701**

**Deduct** the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711**

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712**

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713**

Total deductions (add lines 711, 712, and 713) **▶** **E**

**Taxable capital employed in Canada** (line 701 minus amount E) (if negative, enter "0") . . . . **790**

**Note:** Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

## Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . **F**

**Deduct:** . . . . **10,000,000** **G**

Excess (amount F minus amount G) (if negative, enter "0") **H**

**Calculation for purposes of the small business deduction** (amount H x 0.225%) . . . . **I**

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title    Part 1 – Reserves that have not been deducted in computing income for th

Description	Operator (Note)	Amount	
Employee Future Benefits		4,536,742	00
Future Income Taxes	+		
	+		
	Total	4,536,742	00

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

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title   Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Current portion of long-term customer deposits		94,281 00
Current LTD	+	4,010,219 00
Customer Deposits - Long-Term Portion	+	732,674 00
Deferred Revenue	+	789,288 00
LTD	+	36,428,435 00
	+	
	Total	42,054,897 00

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

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	North Bay Hydro Holdings Limited (corporation)	89999 9999 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

## General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

On: 2019-12-31

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

### Eligibility for the various additions

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

#### 2006 addition

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

#### Change in the type of corporation

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

#### Amalgamation (first year of filing after amalgamation)

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

#### Winding-up

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

## Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year	100	12,970,423
Taxable income for the year (DICs enter "0") *	110	463,129
Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least *	130	
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140	
Subtotal (line 130 <b>plus</b> line 140)		A
Income taxable at the general corporate rate (line 110 <b>minus</b> amount A) (if negative enter "0")	150	463,129
After-tax income (line 150 <b>multiplied by</b> 0.72 (the general rate factor for the tax year))	190	333,453
Eligible dividends received in the tax year	200	
Dividends deductible under section 113 received in the tax year	210	
Subtotal (line 200 <b>plus</b> line 210)		B
Becoming a CCPC (amount W5 in Part 4)	220	
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4)	230	
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4)	240	
Subtotal ( <b>add</b> lines 220, 230, and 240)	290	
Subtotal ( <b>add</b> lines 100, 190, 290, and amount B)		13,303,876 C
Eligible dividends paid in the previous tax year	300	
Excessive eligible dividend designations made in the previous tax year (If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)	310	
Subtotal (line 300 <b>minus</b> line 310)		D
GRIP before adjustment for specified future tax consequences (amount C <b>minus</b> amount D) (amount can be negative)	490	13,303,876
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)	560	
<b>GRIP at the end of the tax year</b> (line 490 <b>minus</b> line 560)	590	13,303,876

Enter this amount on line 160 of Schedule 55.

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

\*\* If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.





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

**Second previous tax year** 2017-12-31

Taxable income before specified future tax consequences from  
the current tax year . . . . . 534,406 A2

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

Amount on line 400, 405, 410, and  
427 or 428\*\* of the T2 return,  
whichever is the least . . . . .                      B2

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

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

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 534,406 ▶ 534,406 E2

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

Taxable income after specified future tax consequences . . . . .                      F2

**Enter the following amounts after specified future tax consequences:**

Amount on line 400, 405, 410, and  
427 or 428\*\* of the T2 return,  
whichever is the least . . . . .                      G2

Aggregate investment income  
(line 440 of the T2 return) . . . . .                      H2

Subtotal (amount G2 **plus** amount H2)                      ▶                      I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0")                      ▶                      J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0")                      K2

**GRIP adjustment for specified future tax consequences to the second previous tax year**

(amount K2 **multiplied by** 0.72 ) . . . . . **520**                     

\*\* If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

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

**Third previous tax year** 2016-12-31

Taxable income before specified future tax consequences from  
the current tax year . . . . . 655,404 A3

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

Amount on line 400, 405, 410, and  
427 or 428\*\* of the T2 return,  
whichever is the least . . . . . B3

Aggregate investment income  
(line 440 of the T2 return) . . . . . 14,104 C3

Subtotal (amount B3 **plus** amount C3) 14,104 ► 14,104 D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") 641,300 ► 641,300 E3

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

Taxable income after specified future tax consequences . . . . . F3

**Enter the following amounts after specified future tax consequences:**

Amount on line 400, 405, 410, and  
427 or 428\*\* of the T2 return,  
whichever is the least . . . . . G3

Aggregate investment income  
(line 440 of the T2 return) . . . . . H3

Subtotal (amount G3 **plus** amount H3) ► I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ► J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ► K3

**GRIP adjustment for specified future tax consequences to the third previous tax year**

(amount K3 **multiplied by** 0.72 ) . . . . . **540**

**Total GRIP adjustment for specified future tax consequences to previous tax years:**

(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . . L3

Enter amount L3 on line 560 in part 1.

\*\* If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

**Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up  
(predecessor or subsidiary was a CCPC or a DIC in its last tax year)**

**nb. 1**    Post amalgamation . . . ☐    Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . . \_\_\_\_\_ A4

Eligible dividends paid by the corporation in its last tax year . . . . . \_\_\_\_\_ B4

Excessive eligible dividend designations made by the corporation in its last tax year . . . . . \_\_\_\_\_ C4

Subtotal (amount B4 **minus** amount C4) \_\_\_\_\_  \_\_\_\_\_ D4

**GRIP addition post-amalgamation or post-wind-up** (predecessor or subsidiary was a CCPC or a DIC in its last tax year)  
(amount A4 **minus** amount D4) . . . . . \_\_\_\_\_ E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

**Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up  
(predecessor or subsidiary was not a CCPC or a DIC in its last tax year),  
or the corporation is becoming a CCPC**

**nb. 1** Corporation becoming a CCPC ☐ Post amalgamation ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year ..... A5

The corporation's money on hand immediately before the end of its previous/last tax year ..... B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses ..... C5

Net capital losses ..... D5

Farm losses ..... E5

Restricted farm losses ..... F5

Limited partnership losses ..... G5

Subtotal (add amounts C5 to G5) ..... H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses ..... I5

Net capital losses ..... J5

Farm losses ..... K5

Restricted farm losses ..... L5

Limited partnership losses ..... M5

Subtotal (add amounts I5 to M5) ..... N5

Unused and unexpired losses at the end of the corporation's previous/last tax year  
(amount H5 minus amount N5) ..... O5

Subtotal (add amounts A5, B5, and O5) ..... P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year ..... Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year ..... R5

All the corporation's reserves deducted in its previous/last tax year ..... S5

The corporation's capital dividend account immediately before the end of its previous/last tax year ..... T5

The corporation's low rate income pool immediately before the end of its previous/last tax year ..... U5

Subtotal (add amounts Q5 to U5) ..... V5

**GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year),  
or the corporation is becoming a CCPC** (amount P5 minus amount V5) (if negative, enter "0") ..... W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.



## Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

### Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3	.....	
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	.....	1,329,025
Total taxable dividends paid in the tax year	.....	<b>100</b> 1,329,025
Total eligible dividends paid in the tax year	.....	<b>150</b> A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	<b>160</b> 13,303,876 B
Excessive eligible dividend designation (line 150 <b>minus</b> line 160)	.....	C
<b>Deduct:</b>		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	<b>180</b> D
Subtotal (amount C <b>minus</b> amount D)		E
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b> (amount E <b>multiplied by</b> 20 %)	.....	<b>190</b> F
Enter the amount from line 190 on line 710 of the T2 return.		

### Part 2 – Other corporations

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3	.....	
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	.....	
Total taxable dividends paid in the tax year	.....	<b>200</b>
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)	.....	G
<b>Deduct:</b>		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	<b>280</b> H
Subtotal (amount G <b>minus</b> amount H)		I
<b>Part III.1 tax on excessive eligible dividend designations – Other corporations</b> (amount I <b>multiplied by</b> 20 %)	.....	<b>290</b> J
Enter the amount from line 290 on line 710 of the T2 return.		

\* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to [www.cra.gc.ca/eligibledividends](http://www.cra.gc.ca/eligibledividends).



## Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- Use this schedule if your corporation had a permanent establishment, under section 400 of the federal Income Tax Regulations, in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

### Part 1 – Ontario basic income tax

Ontario taxable income <sup>Note 1</sup>	463,129	1A
Ontario basic rate of tax for the year	11.5 %	1B
<b>Ontario basic income tax</b> (amount 1A multiplied by amount 1B) <sup>Note 2</sup>	53,260	1C

**Note 1** If your corporation had a permanent establishment only in Ontario, enter the amount from line 360 or amount Z, whichever applies, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

**Note 2** If your corporation had a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

### Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	554,134	2A
Line 405 of the T2 return	463,129	2B
If your tax year starts before 2019, line 427 of the T2 return		2C
If your tax year starts after 2018		
Line 410 of the T2 return	500,000	2D
Line 415 of the T2 return	308,896	2E
Amount 2D	500,000	
Amount 2E	308,896	
	11,250	
Line 515 of the T2 return		2G
Subtotal (amount 2D minus amount 2F minus amount 2G)		2H
Amount 2A, 2B, and 2C or 2H, whichever is least		2I
Ontario domestic factor (ODF):	Taxable income for Ontario <sup>Note 3</sup>	463,129.00
	Taxable income for all provinces <sup>Note 4</sup>	463,129
		1.00000
Amount 2I multiplied by amount 2J		2K
Ontario taxable income (amount 1A)	463,129	2L
Ontario small business income (amount 2K or 2L, whichever is least)		2M

## Part 2 – Ontario small business deduction (OSBD) (continued)

### Ontario small business deduction rate for the year

Number of days in the tax year before January 1, 2018		x	7 %	=	%	2N.1
Number of days in the tax year	365					
Number of days in the tax year after December 31, 2017 and before January 1, 2020	365	x	8 %	=	8.00000 %	2N.2
Number of days in the tax year	365					
Number of days in the tax year after December 31, 2019		x	8.3 %	=	%	2N.3
Number of days in the tax year	365					

OSBD rate for the year (rate 2N.1 **plus** rate 2N.2 **plus** rate 2N.3) . . . . . 8.00000 % ► 8.00000 % 2N.4

**Ontario small business deduction** (amount 2M **multiplied** by rate 2N.4) . . . . . 2N

Enter amount 2N on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

## Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

**Ontario adjusted small business income** (amount 1A or 2I, whichever is least) . . . . . 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

## Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 3C of Schedule 17 . . . . . 4A

Ontario adjusted small business income (amount 3A) . . . . . 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") 4C

Amount 4C **multiplied** by amount 2N.4 . . . . . 4D

Ontario domestic factor (amount 2J) . . . . . 1.00000 4E

**Ontario credit union tax reduction** (amount 4D **multiplied** by amount 4E) . . . . . 4F

Enter amount 4F on line 410 of Schedule 5.

## Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  - 4) a congregation or business agency to which section 143 of the federal Act applies;
  - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

### Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	<b>112</b>	103,784,229
Share of total assets from partnership(s) and joint venture(s) *	<b>114</b>	
Total assets of associated corporations (amount from line 450 on Schedule 511)	<b>116</b>	181,011,238
Total assets (total of lines 112 to 116)		284,795,467
Total revenue of the corporation for the tax year **	<b>142</b>	71,616,696
Share of total revenue from partnership(s) and joint venture(s) **	<b>144</b>	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	<b>146</b>	152,160,764
Total revenue (total of lines 142 to 146)		223,777,460

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

#### \* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

#### \*\* Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.



## Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *		<b>210</b>	2,132,506
<b>Add</b> (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	<b>220</b>	122,584	
Provision for deferred income taxes (debits)/cost of future income taxes	<b>222</b>	411,365	
Equity losses from corporations	<b>224</b>		
Financial statement loss from partnerships and joint ventures	<b>226</b>		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	<b>230</b>		
<b>Other additions</b> (see note below):			
Share of adjusted net income of partnerships and joint ventures **	<b>228</b>		
Total patronage dividends received, not already included in net income/loss	<b>232</b>		
<b>281</b>	<b>282</b>		
<b>283</b>	<b>284</b>		
	Subtotal	533,949	533,949 A
<b>Deduct</b> (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	<b>320</b>		
Provision for deferred income taxes (credits)/benefit of future income taxes	<b>322</b>		
Equity income from corporations	<b>324</b>	605,148	
Financial statement income from partnerships and joint ventures	<b>326</b>		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	<b>330</b>		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	<b>332</b>		
Gain on donation of listed security or ecological gift	<b>340</b>		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	<b>342</b>		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	<b>344</b>		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	<b>346</b>		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	<b>348</b>		
<b>Other deductions</b> (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	<b>328</b>		
Tax payable on dividends under subsection 191.1(1) of the federal Act <b>multiplied</b> by 3	<b>334</b>		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	<b>336</b>		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	<b>338</b>		
<b>381</b>	<b>382</b>		
<b>383</b>	<b>384</b>		
<b>385</b>	<b>386</b>		
<b>387</b>	<b>388</b>		
<b>389</b>	<b>390</b>		
	Subtotal	605,148	605,148 B
Adjusted net income/loss for CMT purposes (line 210 <b>plus</b> amount A <b>minus</b> amount B)	<b>490</b>	2,061,307	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

### Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

#### \* Rules for net income/loss

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

## Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.
- \*\* The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- \*\*\* A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- \*\*\*\* A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- \*\*\*\*\* A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

## Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) ..... **515** 2,061,307

### Deduct:

CMT loss available (amount R from Part 7) .....

**Minus:** Adjustment for an acquisition of control \* ..... **518**

Adjusted CMT loss available ..... **C**

Net income subject to CMT calculation (if negative, enter "0") ..... **520** 2,061,307

Amount from line 520 2,061,307 x  $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$  365 x 4 % = 1

Amount from line 520 2,061,307 x  $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$  365 x 2.7 % = 55,655 2

Subtotal (amount 1 **plus** amount 2) ..... 55,655 3

Gross CMT: amount on line 3 above x OAF \*\* ..... **540** 55,655

### Deduct:

Foreign tax credit for CMT purposes \*\*\* ..... **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") ..... 55,655 D

### Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) ..... 53,260

Net CMT payable (if negative, enter "0") ..... 2,395 E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

\* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

\*\*\* Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

### \*\* Calculation of the Ontario allocation factor (OAF):

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income \*\*\*\* = Taxable income \*\*\*\*\*

Ontario allocation factor ..... 1.00000 F

\*\*\*\* Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

\*\*\*\*\* Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

## Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	.....	G
<b>Deduct:</b>		
CMT credit expired *	..... <b>600</b>	
CMT credit carryforward at the beginning of the current tax year * (see note below)	.....	<b>620</b>
<b>Add:</b>		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	.....	<b>650</b>
CMT credit available for the tax year (amount on line 620 <b>plus</b> amount on line 650)	.....	H
<b>Deduct:</b>		
CMT credit deducted in the current tax year (amount P from Part 5)	.....	I
	Subtotal (amount H <b>minus</b> amount I)	J
<b>Add:</b>		
Net CMT payable (amount E from Part 3)	..... 2,395	
SAT payable (amount O from Part 6 of Schedule 512)	.....	
	Subtotal	2,395 K
CMT credit carryforward at the end of the tax year (amount J <b>plus</b> amount K)	.....	<b>670</b> 2,395 L

- \* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
  - for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

**Note:** If you entered an amount on line 620 or line 650, complete Part 6.

## Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)	.....	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	..... 53,260	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	..... 55,655	2
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	.....	3
Gross SAT (line 460 from Part 6 of Schedule 512)	.....	4
The <b>greater</b> of amounts 3 and 4	.....	5
	<b>Deduct:</b> line 2 or line 5, whichever applies:	55,655 6
	Subtotal (if negative, enter "0")	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	..... 53,260	
<b>Deduct:</b>		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 <b>minus</b> line 450 from Schedule 5)	.....	
	Subtotal (if negative, enter "0")	53,260 O
CMT credit deducted in the current tax year (least of amounts M, N, and O)	.....	P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? ..... **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

## Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

## Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year \* . . . . . Q

### Deduct:

CMT loss expired \* . . . . . 700

CMT loss carryforward at the beginning of the tax year \* (see note below) . . . . . 720

### Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act \*\* (see note below) . . . . . 750

CMT loss available (line 720 plus line 750) . . . . . R

### Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . .

Subtotal (if negative, enter "0") . . . . . S

### Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . . 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) . . . . . 770 T

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

\*\* Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

**Note:** If you entered an amount on line 720 or line 750, complete Part 8.

## Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

\* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

\*\* Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

\*\*\* The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS  
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1	North Bay Hydro Holdings Limited	86712 3580 RC0001	19,546,259	1,419,078
2	North Bay Hydro Services Inc	86450 3511 RC0001	14,697,294	4,295,318
3	North Bay Hydro Generation Limited	89117 4401 RC0001	100	0
4	The Corporation of the City of North Bay	12174 5962 RC0001	132,942,724	143,806,293
5	Espanola Regional Hydro Distribution Corporation	86489 8390 RC0001	13,824,861	2,640,075
	<b>Total</b>		<b>450</b> 181,011,238	<b>550</b> 152,160,764

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

**\* Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2019-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit [www.ServiceOntario.ca](http://www.ServiceOntario.ca) for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

**Part 1 – Identification**

<b>100</b> Corporation's name (exactly as shown on the MGS public record)			
North Bay Hydro Distribution Limited			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	<b>110</b> Date of incorporation or amalgamation, whichever is the most recent	Year Month Day	<b>120</b> Ontario Corporation No.
Ontario		1999-12-10	1390858

**Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)**

<b>200</b> Care of (if applicable)			
<b>210</b> Street number	<b>220</b> Street name/Rural route/Lot and Concession number	<b>230</b> Suite number	
74	Commerce Court		
<b>240</b> Additional address information if applicable (line 220 must be completed first)			
PO Box 3240			
<b>250</b> Municipality (e.g., city, town)	<b>260</b> Province/state	<b>270</b> Country	<b>280</b> Postal/zip code
North Bay	ON	CA	P1B 8Y5

**Part 3 – Change identifier**

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit [www.ServiceOntario.ca](http://www.ServiceOntario.ca).

**300** ☐ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."  
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

**Part 4 – Certification**

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

**450** Casson **451** Melissa  
Last name First name

**454** \_\_\_\_\_,  
Middle name(s)

**460** ☐ 2 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

**Part 5 – Mailing address**

<b>500</b>	<input type="checkbox"/>	Please enter one of the following numbers in this box:			1 - Show no mailing address on the MGS public record.			
					2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.			
					3 - The corporation's complete mailing address is as follows:			
<b>510</b>	Care of (if applicable)							
<b>520</b>	Street number	<b>530</b>	Street name/Rural route/Lot and Concession number		<b>540</b>	Suite number		
<b>550</b>	Additional address information if applicable (line 530 must be completed first)							
<b>560</b>	Municipality (e.g., city, town)		<b>570</b>	Province/state	<b>580</b>	Country	<b>590</b>	Postal/zip code

**Part 6 – Language of preference**

<b>600</b>	<input type="checkbox"/>	Indicate your language of preference by entering <b>1</b> for English or <b>2</b> for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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# Corporate Taxpayer Summary

## Corporate information

Corporation's name	North Bay Hydro Distribution Limited															
Taxation Year	2019-01-01		to	2019-12-31												
Jurisdiction	Ontario															
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Corporation is associated	Y															
Corporation is related	Y															
Number of associated corporations	5															
Type of corporation	Canadian-Controlled Private Corporation															
Total amount due (refund) federal and provincial*	-12,282															

\* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

## Summary of federal information

Net income											554,134
Taxable income											463,129
Donations											33,458
Calculation of income from an active business carried on in Canada											554,134
Dividends paid											1,329,025
Dividends paid – Regular											1,329,025
Dividends paid – Eligible											
Balance of the low rate income pool at the end of the previous year											
Balance of the low rate income pool at the end of the year											
Balance of the general rate income pool at the end of the previous year											12,970,423
Balance of the general rate income pool at the end of the year											13,303,876
Part I tax (base amount)											175,989
<b>Credits against part I tax</b>	<b>Summary of tax</b>										<b>Refunds/credits</b>
Small business deduction	Part I										67,469
M&P deduction	Part IV										
Foreign tax credit	Part III.1										
Investment tax credits	Other*										
Abatement/Other*	2,000										
	106,520										
	Provincial or territorial tax										55,655
											135,406
											Other*
											<b>Balance due/refund (–)</b>
											-12,282

\* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

## Summary of federal carryforward/carryback information

Capital dividend amount	14,104
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## Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	554,134		
Taxable income	463,129		
% Allocation	100.00		
Attributed taxable income	463,129		
Tax payable before deduction*	53,260		
Deductions and credits			
Net tax payable	53,260		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	55,655		
Instalments and refundable credits			
Balance due/Refund (-)	55,655		

### Logging tax payable (COZ-1179)

Tax payable	N/A		N/A
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\* For Québec, this includes special taxes.

\*\* For Québec, this includes compensation tax and registration fee.

\*\*\* For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

## Summary of provincial carryforward amounts

### Other carryforward amounts

#### Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	2,395
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## Summary – taxable capital

### Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
North Bay Hydro Distribution Limited	84,736,303	84,736,303	85,452,544	85,452,544
North Bay Hydro Holdings Limited	426	426	644	644
North Bay Hydro Services Inc	12,550,312	12,550,312	11,083,115	11,083,115
North Bay Hydro Generation Limited	100	100	100	100
The Corporation of the City of North Bay	50,000,000	50,000,000	50,000,000	50,000,000
Espanola Regional Hydro Distribution Corporation			10,101,231	10,101,231
Total	147,287,141	147,287,141	156,637,634	156,637,634

**Québec**

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Form CO-1029.8.33.TE	Paid-up capital used to calculate the \$1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
Total				

**Ontario**

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

**Other provinces**

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

## Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
<b>Federal information (T2)</b>					
Taxation year end	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>	<b>2016-12-31</b>	<b>2015-12-31</b>
Net income	554,134	-22,474	615,171	683,066	1,187,555
Taxable income	463,129		534,406	655,404	1,171,755
Active business income	554,134		615,171	668,962	1,187,555
Dividends paid	1,329,025	1,258,854	2,731,535	675,782	783,177
Dividends paid – Regular	1,329,025	1,258,854	2,731,535	675,782	783,177
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	12,970,423	12,970,423	12,585,651	12,123,915	11,280,251
GRIP – end of the year	13,303,876	12,970,423	12,970,423	12,585,651	12,123,915
Donations	33,458	35,073	80,765	27,662	15,800
Balance due/refund (-)	-12,282	-141,617	-20,579	-293,153	-151,485
Line 996 – Amended tax return	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loss carrybacks requested in prior years to reduce taxable income</b>					
Taxation year end	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>	<b>2016-12-31</b>	<b>2015-12-31</b>
Taxable income before loss carrybacks	N/A	N/A	534,406	655,404	1,171,755
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	534,406	655,404	1,171,755
<b>Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)</b>					
Taxation year end	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>	<b>2016-12-31</b>	<b>2015-12-31</b>
Adjusted taxable income before current year loss carrybacks*	N/A		534,406	655,404	N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A		534,406	655,404	N/A

\* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

**Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax**

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

**Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)**

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

\*\* The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

\*\*\* The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

**Federal taxes**

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Part I	67,469		80,160	99,868	173,763
Part IV					
Part III.1					
Other*					

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

**Credits against part I tax**

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit	2,000			1,781	2,000
Abatement/other*	106,520		122,914	148,909	269,504

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

**Refunds/credits**

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends				4,325	
Instalments	135,406	141,617	162,196	454,094	450,000
Other*					

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

## Ontario

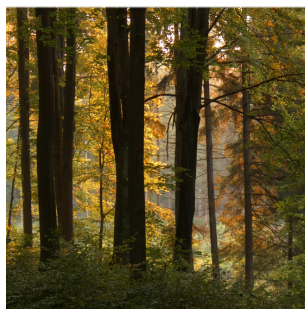
Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	554,134	-22,474	615,171	683,066	1,187,555
Taxable income	463,129		534,406	655,404	1,171,755
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	463,129		534,406	655,404	1,171,755
Surtax					
Income tax payable before deduction	53,260		61,457	75,371	134,752
Income tax deductions /credits					
Net income tax payable	53,260		61,457	75,371	134,752
Taxable capital					
Capital tax payable					
Total tax payable*	55,655		61,457	75,371	134,752
Instalments and refundable credits				9,973	10,000
Balance due/refund**	55,655		61,457	65,398	124,752

\* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

\*\* For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

## APPENDIX 4-F: NBHDL'S LRAM CALCULATIONS

## North Bay Hydro Distribution Ltd. 2019-2021 LRAMVA







North Bay Hydro Distribution Ltd.  
lost revenue related to  
Conservation and Demand Management

*2019-2021*



This document was prepared for North Bay Hydro Distribution Ltd. by IndEco Strategic Consulting Inc.

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29 October 2020

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## Introduction

The Lost Revenue Adjustment Mechanism (LRAM) was developed to remove a disincentive electricity local distribution companies (LDCs) may have to promote conservation and demand management (CDM) programs. CDM programs are designed to provide energy savings and peak demand reductions for the customers of LDCs. These savings and reductions directly impact the LDC's revenue. The LRAM allows LDCs to be compensated for lost revenue that results from CDM programs the LDC offers to its customers.

Starting in 2011, the Ontario Energy Board (OEB) authorized LDCs to establish an LRAM variance account (LRAMVA) to capture the impact of CDM programs on the revenue of LDCs. The variance in the LRAMVA is between the lost revenue due to independently verified load impacts of CDM and the lost revenue from any CDM impacts an LDC included in the LDC's load forecast.<sup>1</sup>

North Bay Hydro Distribution Ltd. (NBHDL) contracted with the Ontario Power Authority (OPA, which has now been merged into the Independent Electricity System Operator – IESO) to offer a suite of CDM programs to customers in a variety of rate classes for the 2011-2014 period and subsequently with the IESO for the 2015-2020 period.

NBHDL is requesting disposition of the 2019 LRAMVA including 2019 results and persistence of savings from 2015-2018 programs, as well as persistence of these until April 30, 2021 when new rates, based on a new load forecast, will come into effect. Given that NBHDL is no longer offering customers new CDM programs, disposing of the LRAMVA balance that will exist as of April 30, 2021 completes NBHDL's LRAMVA claims for the Conservation First Framework (CFF), and is consistent with the recommendation in the most recent filing requirements from May 2020:

*"Distributors should strive to dispose of all CFF-related LRAMVA balances as part of its 2021 rate application. The OEB will rely on the Participation and Cost Reports and detailed project level savings files as supporting documentation when assessing applications for lost revenues in relation to energy and demand savings from programs delivered under the CFF where final verified results from the IESO are not available."*<sup>2</sup>

LRAMVA has already been claimed for 2018 in Ontario Energy Board rate case EB-2019-0057; claims for earlier years were made in earlier proceedings.

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<sup>1</sup> *Guidelines for Electricity Distributor Conservation and Demand Management*. Ontario Energy Board. April 26, 2012 (EB-2012-0003).

<sup>2</sup> Ontario Energy Board, 2020. *Filing Requirements for Electricity Distribution Rate Applications* - 2020 Edition for 2021 Rate Applications. Chapter 2 Cost of Service

As required, NBHDL has used the most recent input assumptions available at the time of program evaluation in support of its lost revenue calculation. The final 2017 annual verified results report is the most recent final CDM evaluation report available from the IESO and includes final results for 2017 and adjustments for 2015 and 2016 programs.

Normally, the IESO releases adjustments to previous year values with each annual report. Due to direction from the Province, IESO announced that it would not be providing an annual verified report for 2018. Chapter 3 of the 2021 rate filing instructions advise LDCs to base savings subsequent to the 2017 final verified report on the IESO Participation and Cost Reports.<sup>3</sup> These are used to determine the 2018 and 2019 savings, and adjustments made subsequent to the release of the 2017 final savings values. In addition, they provide persistence of the unverified results in 2020. For savings that came in after the final P&C report, NBHDL has used the results from IESO's 2017 program evaluation to adjust gross values to net values.

NBHDL included the impacts of CDM in the load forecast for NBHDL's 2015 cost of service rate case and estimated the CDM savings in 2015 (EB-2014-0099). The LRAMVA threshold estimated from 2015 CDM programs is compared to the calculated lost revenue from verified final CDM results. The difference between these two is the LRAMVA value NBHDL is claiming for 2019 through 2021. This report determines the variance account balance for the following revenue losses:

- Lost revenues in 2019 related to programs offered in that year, as well as persistence of programs offered from 2014 to 2018
- Lost revenues from the persistence of programs offered between 2014 and 2019 in 2020 and January through April of 2021.

The carrying charges on the above variances through April 2021 are also reported.

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<sup>3</sup> Ontario Energy Board, 2020. *Filing Requirements for Electricity Distribution Rate Applications - 2020 Edition for 2021 Rate Applications*. Chapter 2 Cost of Service

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## Methodology

In principle, the determination of lost revenues is a simple calculation:

$$LR = (\text{CDM results} - \text{CDM results in the load forecast}) * \text{rate}$$

In practice, it is somewhat more complicated than that because of the limitations of the information available to calculate CDM results, the different time periods of results data and the rate year, and the need to determine carrying charges on the lost revenues.

The most recent input parameters available have been used to calculate the lost revenue values.

### CDM RESULTS

For programs offered through 2017, the IESO performed evaluations which examined gross energy savings from the programs, and the net-to-gross ratio (NTGR), and then from those calculated net energy savings for each initiative or program. Peak load reductions were also calculated and reported in the same way. For some programs the IESO calculated gross and net energy at the project level.

Provincial results were allocated to individual LDCs based on each LDC's individual performance where possible, or through an allocation process.

The IESO reported energy savings and peak demand reductions, by program in the current year, adjustments to the previous years based on updated validation, and contribution to total savings or reductions for the 2014 to 2017 period. The savings and demand reductions for a particular year for most programs persist for a number of years. The savings and demand reductions for demand response programs do not persist beyond the year in which those particular savings and demand reductions occur. The IESO was requested to provide the persistence into future years of savings and reductions for each program in each year.

Before final evaluation results were available, the IESO published monthly Participation and Cost reports that reported both verified and preliminary unverified savings. With the ending of the Conservation First Framework by the Ontario government on April 1, 2019, the IESO stopped producing reports of verified results. Unverified net energy savings for 2018, Q1 2019 and program results for earlier years that came in after the 2017 final verified results report are in the April 2019 Participation and Cost reports.

Subsequent to the final Participation and Cost reports, a number of projects initiated before the ending of the CFF programs were completed. Gross savings for these are captured in NBHDL's CDM databases, and in IESO databases. As recommended by the OEB, net



savings of these projects are estimated using net-to-gross (NTG) and realization rate (RR) factors from the 2017 final verified results report.

These are the best, most definitive, and defensible estimates of results associated with these programs and incorporate the most appropriate estimates of results from the measures installed.

However, these data have some limitations, and require some adjustments for use in lost revenue calculations.

### *Allocating results to rate classes*

The IESO reports results by program or initiative. These only partially map onto rate classes. The IESO provided net results by project for projects in programs that span multiple rate classes in 2014, 2015, 2016 and 2017 and North Bay Hydro identified the rate classes for these projects to calculate the allocation across rate classes. In 2018 and 2019, North Bay Hydro reported information on projects to the IESO and again the rate classes were identified for individual projects to calculate the allocation. The allocation was calculated according to the billing unit of the relevant rate class. That is, for GS<50 projects, the allocation to GS<50 is the percentage of total kWh for projects in that rate class; for GS>50, their allocation is the percentage of total kW for projects in that rate class.

### *Application of reported results*

Through 2017, the IESO reported both energy savings and reductions in demand. Depending on the rate class, distribution revenue is based on either kilowatt-hours used, or the customer's monthly peak kilowatt use. For rate classes where the customer is charged for distribution by energy use (kWh), the IESO reported net energy savings are used to calculate lost revenues related to CDM results. For customer classes where the LDC charges for distribution based on the customer's peak monthly demand (kW), the IESO reported net demand reductions are used to calculate lost revenues related to CDM results.<sup>4</sup> The demand reductions in the IESO reports are multiplied by the number of months a specific program impacts a customer's peak demand. "The IESO indicated that the demand savings from energy efficiency programs shown in the Final CDM Results should generally be multiplied by twelve (12) months to represent the demand savings the distributor has experienced over the entire year...In the case of the Building Commissioning initiative, the demand savings provided in the Final CDM Results should only be multiplied by three (3) as these savings are

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<sup>4</sup> The exception is a large cogeneration project undertaken at the North Bay Regional Health Centre, which is discussed below.

related to space cooling and do not occur throughout the full year, but only during the summer months, typically.”<sup>5</sup>

The OEB has decided that lost revenue cannot be claimed for the kW values reported by the IESO for the Demand Response 3 (DR3) program. “The monthly peak demand of a demand-billed customer used for billing purposes may not correspond with the demand response event; even if it did, the lost revenues would only be related to a difference between the customer’s peak demand absent the demand response event and the next highest peak demand for the customer in that month... Since the IESO’s evaluations cannot confirm the nature of the demand savings relative to the billing period for demand-billed customers, it is not appropriate that distributors be credited with lost revenues from demand response programs, except for those situations where the distributor can explicitly demonstrate revenue impacts.”<sup>6</sup>

For 2018 and 2019 and adjustments to earlier years made after the 2017 final results were available, the IESO did not report demand reductions. Demand reductions were estimated based on the reported demand savings by project and the 2017 NTG and RR factors.

#### *Load reductions accounted for in the load forecast*

In recent years, LDCs have incorporated projected load losses that will result from CDM programs in their load forecasts, submitted as part of their Cost of Service applications. When determining actual lost revenues, these forecasted reductions in a particular year need to be deducted from load losses attributable to CDM programs in that year to determine the final impact of CDM on revenues. That is, the impact is the *variance* between the results accounted for in the load forecast and the results attributable to the programs.

#### *Persistence*

Persistence of energy and demand savings for programs offered in 2014 was provided by the IESO, and persistence of programs in 2015 to 2017 is included in the 2017 final verified results report.

The April 2019 Participation and Costs report provided estimated net energy persistence in 2020 for all verified and unverified results.

Where persistence data were not provided, persistence is estimated using the following methods:

---

<sup>5</sup> Ontario Energy Board, *Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs*, EB-2017-0182, May 19, 2017, p. 4.

<sup>6</sup> Ibid. p. 7.

- For programs in 2015 to 2018, the annual persistence of the unverified results to 2020 was estimated using linear interpolation between the program year and 2020
- For unverified results, persistence in 2021 was estimated using the same rate of lost persistence seen in the verified results for that year, if available, or for 2017.

### *Overall impact of CDM on load, by rate class*

The overall impact of CDM energy savings and demand reductions on load is calculated from the IESO energy savings and peak demand reductions, allocated by rate class. Finally, the difference is calculated between the overall estimated impact on loads and the load reductions attributable to CDM that were captured in the most recent load forecast.

## DISTRIBUTION RATES

Revenue impacts to the LDC associated with CDM are calculated using the distribution volumetric rate. Most other rate components (e.g. service charges, global adjustment, transmission charges) are either fixed charges or pass-throughs for the utility that do not affect the LDC's revenues. An exception is for certain rate riders related to taxes, and these are added to the distribution volumetric rates for lost revenue calculations, where applicable.

For most electricity distribution utilities in Ontario, including NBHDL, distribution rates are set for the period from 1 May to 30 April of the next year. CDM results are reported as first-year savings for programs by calendar year, so average rates for the calendar year need to be calculated. For simplicity, the average rate is estimated based on the rate being four-twelfths of the previous year's rate (for January through April), and eight-twelfths of the current year's rate (for May through December).

## CARRYING CHARGES

Because these revenues are lost throughout the year and are only recovered through rate riders in subsequent years, the Ontario Energy Board has permitted the LDCs to claim carrying charges on these lost revenues at a rate prescribed by the OEB and published on the Board's website. The carrying charges are simple interest, not compounded, and are calculated on the monthly lost revenue balance. Because the IESO final results estimates are reported annually, and monthly estimates are not available, the incremental results are assumed to be equally distributed across the months. Thus, 1/12 of the annual results are allocated to each month of the year.

Carrying charges accrue from the time of the results, until disposition.

## CDM LOST REVENUES IN 2021

CDM results and the threshold are reported on an annual basis. Since LRAMVA is only being claimed for January to April (one-third of the year), the formula for LRAMVA becomes:

$$\left( \frac{Savings_{2021}}{3} - \frac{Threshold_{2021}}{3} \right) * Rate_{2020}$$

Where  $Rate_{2020}$  is the actual rate that applies in January to April 2021 from the 2020 rate case, not the annual average rate for 2020. Tab 3 of the workform calculates average annual rates based on the number of months current rate year rates apply and how many months previous rate years apply. In NBHDL's case that is the 2021 average rate is 4/12 of the 2020 rate and 8/12 of the 2021 rate. If the values for 2021 rates are left blank, the rate that will be calculated will be  $Rate_{2020}/3$ .

$Savings_{2021}$  is the annual persistence data provided by the IESO, or calculated as described above, and  $Threshold_{2021}$  is the annual threshold established in the 2015 rate case.

Rearranging the equation above gives:

$$\left( Savings_{2021} - Threshold_{2021} \right) * \frac{Rate_{2020}}{3}$$

Thus, by just leaving the 2021 rates blank, all three terms in the equation are in the workform by default and the LRAMVA can be calculated without making changes to the estimated 2021 savings or the threshold.

## REPORTING OF LOST REVENUE

The LDC reports these lost revenues on its financial statements in Account 1568, and the associated rate class-specific sub-accounts.

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## Results

Following the methodology described above, lost revenues were calculated for NBHDL. The results refer to tables provided in the completed LRAMVA workform that uses the OEB's template.

### CDM RESULTS

#### *IESO evaluation results*

The most recent and appropriate final CDM evaluation reports from the IESO were used in support of the lost revenue calculations for all savings through 2017, except for the PSUI cogeneration project completed in 2015 for which lost revenues are determined based on actual operating results.

The April 2019 IESO Participation and Cost report was used to determine savings for 2018 and 2019, and 2016 and 2017 adjustments. Since demand savings estimates are not provided in the Participation and Cost report, for programs in rate classes billed by demand, these were estimated based on the gross saving estimates and the NTG and RR in the most recent year, i.e. 2016 for 2016 adjustments and 2017 for other years. Similarly, for projects that came in after the April 2019 P&C report, net energy and demand were calculated using the NTG and RR values from the IESO 2017 final report.

The IESO provided NBHDL with persistence data for savings at the program level for programs through 2017.

The IESO Participation and Cost report estimates 2020 persistence of 2018 and 2019 programs and 2017 adjustments made after the release of the final 2017 verified results. These values are included in the workform, with intermediate years estimated via linear interpolation. 2021 persistence of unverified results is based on the persistence rate of verified results in the same year, where available, or in 2017.

The data provided are presented in Tables 5a to 5e on Tab 5 of the LRAMVA work form.

#### *Cogeneration project*

North Bay Hydro spent several years working with the North Bay Regional Health Centre to develop a cogeneration project under the Process Systems and Upgrades Program, and the facility began operation in late December 2015.

IESO reported energy savings for the project in its 2016 final results report for North Bay Hydro of 11,249,000 kWh but did not report peak demand reductions.

Particularly for a large, lumpy project like this, it is more appropriate to rely upon actual generation data, rather than peak demand estimates

given that the customer's peak (which determines revenues) may not be consistent with the system peak, and the billing demand may be sensitive to whether or not the cogeneration facility was operating at full capacity, particularly during the start-up period.

Loss of LDC revenues for the facility is calculated by comparing what the billed demand would have been in the absence of the cogeneration facility, to what was billed. To calculate this, the default billing demand was calculated by looking at the total facility demand in each hour (billed kW + generated kW) and determining the hour with the highest total facility demand in each month, then subtracting from this the billed demand (kW) in each month. This was done for each month in 2016, 2017, 2018, and 2019. Generation kilowatts were reduced by an estimate for the parasitic demand of the facility, that is, power used by the cogeneration facility for its own operation. The associated values are shown in the Tables on Tab 8 of the work form.

Results for 2020 were available through April 2020 and were used to estimate lost revenue for that period. For the months from May 2020 through April 2021, the average reduction per month from January 2018 through June 2020 was used.

The IESO reported net to gross ratio for energy savings for the project was 1.0, and this value was used for the demand reductions also.

Details of the savings are reported on Tab 8 of the workform.

### *Community energy park*

North Bay Hydro Services developed a community energy park (CEP) under the Process and Systems Upgrade Program. The Community Energy Park is a microgrid that brings together innovative technologies to supply electricity and heat to the YMCA Aquatic Centre, Thomson Park and Memorial Gardens. Technologies involved include solar generation, cogeneration and battery storage. It makes these facilities more efficient in their use of energy, and more resilient as an important hub of our community.

The CEP began operation after the last Participation and Cost report, in May of 2019 and therefore the energy and demand reductions are not captured in IESO reports.

North Bay Hydro calculated the lost load associated with the facility by developing shadow bills for the three facilities, showing what they would have been billed for distribution in the absence of the CEP, and compared these to the actual bills for distribution service. Distribution charges for the affected facilities is not based on an interval meter, so the shadow load for which the facilities would have been charged can be determined as if they were not part of the CEP.

The facility began operation in May 2019 and actual load reductions are calculated each month from May 2019 until July 2020. Monthly load reductions from August 2020 to April 2021 are estimated at the average monthly reduction from onset of operations to July 2020.

Details of the savings are reported on Tab 8 of the workform.

## ALLOCATING RESULTS TO RATE CLASSES

NBHDL provided information on the allocation of results to rate classes, drawing on project specific information provided by the IESO. In most cases, the allocation is straightforward. Only the Retrofit Program, its predecessor the Energy Efficiency Retrofit Initiative (EERI) and the High Performance New Construction program spanned more than one rate class. No allocation was provided for programs for which NBHDL has no program results.

NBHDL bills customers in different rate classes using different volumetric units, either kilowatt hours (kWh), or customer peak monthly kilowatts (kW). The rate classes (and billing units) for NBHDL are:

- Residential (kWh)
- GS <50 kW (kWh)
- GS 50 to 2,999 kW (kW)
- GS 3,000 to 4,999 kW (kW)
- Unmetered Scattered Load (kWh)
- Sentinel Lighting (kW)
- Street Lighting (kW)

Tables 4-d, 5-a, b, c, d and e of the OEB LRAMVA work form show the percentage allocation by rate class for 2014, 2015, 2016, 2017, 2018 and 2019 results respectively. In each year the rate class allocation percentage totals for each program may not add up to exactly 100% in cases where kWh savings are allocated to rate classes billed by kWh and kW demand reductions are allocated to rate classes billed by kW. Details of the allocation calculation are on Tab 3-a of the work form.

### *Load reductions accounted for in the load forecast*

The cost of service application affecting 2015 through 2018 results was filed for the 2015 rate year (EB-2014-0099). The load forecast associated with that application included a CDM adjustment to account for estimated load losses from 2014 and 2015 CDM programs. Related to the specific adjustment made to the forecast for CDM, is the LRAMVA threshold value.

“The LRAMVA threshold value is the anticipated lost revenue amount (based on anticipated CDM savings) based on what is reflected in the underlying load forecast (i.e., used for billing determinants, as



applicable) when the distributor has rebased rates through a cost of service (or Custom IR) application.”<sup>7</sup>

As stated in the quoted guideline, this value is compared with actual lost revenues (based on actual CDM savings) to generate the final LRAMVA amount.

The 2015 energy thresholds (kWh) are set out in the COS settlement agreement, which is appended to the Board’s decision.<sup>8</sup> Also part of that settlement decision is a separately filed load forecast model in working Microsoft Excel named “North Bay 2015 Load Forecast Model\_Settlement”.

In the case of the demand threshold (kW), the value in the table in the settlement is not consistent with that actually used in the agreed upon load forecasting model. The load forecast for GS>50 rate class was increased (meaning the CDM impact was decreased) because the cogeneration facility developed in NBHDL’s service territory was not expected to fully impact revenues to the extent of the anticipated energy savings. The 2015 forecast load was increased by 25% of 24,000 kW; 25% since the facility was only expected to begin operations in the final quarter of 2015. This LRAMVA kW threshold value in the table of the agreement does not capture this adjustment.

The LRAMVA is calculated using the actual values that were used in the formulation of the forecast. The threshold values on Table 2-b of the workform shows the agreed upon threshold, as adjusted for the cogeneration project.

### *Overall impact of CDM on load, by rate class*

Multiplying the adjusted energy savings or demand reduction reported for NBHDL for each program by the allocation by rate class provides the impact on load of that CDM program within the appropriate rate class. The sum of the energy savings and demand reductions for all of the programs for each rate class provides the overall impact of CDM on load by rate class. The overall load impact for each calendar year includes the results for the CDM programs and any adjustments to the results in that year.

The bottom of Tables 4-d, 5-a, 5-b and 5-c, 5-d and 5-e of the OEB LRAMVA work form shows the overall impact of CDM on load by rate class for 2014, 2015, 2016, 2017, 2018 and 2019.

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<sup>7</sup> Ontario Energy Board, *Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs*, EB-2017-0182, May 19, 2017, p.8.

<sup>8</sup> Ontario Energy Board. 2015. *Decision and Order EB-2014-0099: North Bay Hydro Distribution Ltd.* p. 54 (PDF page).



## DISTRIBUTION RATES

The distribution rates that are used to calculate the CDM impact on distributor revenue for each rate class for NBHDL are shown in Table 3 of the OEB LRAMVA work form. The distribution rates are pro-rated from the rate year to the calendar year, as needed, using the number of months of each rate year in each calendar year. Table 3-a of the OEB LRAMVA work form shows the pro-rated rates used for 2011 through 2021. As discussed on p.7, the rates shown for 2021 are one-third of the 2020 rates to account for lost revenues only being related to one-third of the year.

## LOST REVENUES

The lost revenues for each year by rate class for NBHDL calculated from final CDM program results are shown in Table 1-b of the OEB LRAMVA work form. The lost revenue for 2019 through 2021 is based on the load impact for each rate class in 2014-2019 multiplied by the rate for that rate class in that year. The load impact includes the impact of CDM programs in 2019 and the persistence of the CDM program impact from programs offered in 2014 through 2019.

Table 1-b of the OEB LRAMVA work form also shows the lost revenue in 2019 through 2021 due to CDM activities accounted for in NBHDL's 2015 load forecast. The impact on NBHDL's revenue is the variance between what is calculated from final CDM program results and CDM results already accounted for in the load forecast.

## CARRYING CHARGES

The monthly carrying charges by rate class on NBHDL's lost revenue variance are shown in Table 6 of the OEB LRAMVA work form. The carrying charges are reported monthly, from the time the lost revenues resulted (January 2019), through to April 30, 2021.

---

## Conclusions

The LRAMVA balance at April 30, 2021 for NBHDL that includes results from 2019 CDM programs, and persistence of 2015 to 2018 from January 1, 2019 to April 30, 2021 is \$246,420. The total carrying charges on this LRAMVA balance accumulated to April 30, 2021 are \$3,426. These balances are attributable to individual rate classes according to the following table:

Customer Class	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)
Residential	\$9,571	\$246	\$9,817
GS < 50 kW	\$78,595	\$1,014	\$79,609
GS 50 to 2,999 kW	\$148,901	\$2,091	\$150,991
GS 3,000 to 4,999 kW	\$5,927	\$76	\$6,003
Unmetered Scattered Load			
Sentinel Lighting			
Street Lighting			
<b>Total</b>	<b>\$242,994</b>	<b>\$3,426</b>	<b>\$246,420</b>







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